

No. 12 Orig.

Supreme Court of the United States

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JAMES H. MCKENNEY,
Clerk

IN THE MATTER of the petition of HENRY A. CLELAND
for Writ of Mandamus to compel the HONORABLE
HENRY H. SWAN, United States District Judge for
the Eastern District of Michigan, sitting in the
Circuit Court of the United States for the Eastern
District of Michigan, in Equity, to dismiss the cause
pending in said Circuit Court entitled EDWARD W.
BISHOP vs. MICHIGAN SAVINGS & LOAN ASSOCIATION
and GEORGE LORD.

BRIEF FOR PETITIONER IN SUPPORT OF PETITION.

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DETROIT:

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1910

Supreme Court of the United States

In the matter of the petition of Henry A. Cleland for Writ of Mandamus to compel the Honorable Henry H. Swan, United States District Judge for the Eastern District of Michigan, sitting in the Circuit Court of the United States for the Eastern District of Michigan, in Equity, to dismiss the cause pending in said Circuit Court entitled Edward W. Bishop vs. Michigan Savings & Loan Association and George Lord.

BRIEF FOR PETITIONER IN SUPPORT OF PETITION.

Petitioner Henry A. Cleland filed in the Circuit Court of the United States for the Eastern District of Michigan in Equity his petition praying that the cause entitled Edward W. Bishop vs. Michigan Savings & Loan Association therein pending be dismissed for the reason that it appeared from the records of the court that said suit did not at the time it was commenced really and substantially involve a dispute or controversy properly within the jurisdiction of the Circuit Court and that the parties to said cause had been improperly and collusively made and joined for the purpose of creating a cause cognizable under the Acts of Congress, petitioner relying upon the provisions of Section 5 of the Act of March 3rd, 1875, which is as follows:

“That if any suit commenced in a circuit court, or removed from a state court to a circuit court of the United States, it shall appear to the satisfaction of said court at any time after such suit has been brought or removed thereto that such suit does not really and substantially involve a dispute or controversy properly within the jurisdiction of said circuit court, or that the parties to said suit have

been improperly or collusively made or joined either as plaintiffs or defendants for the purpose of creating a case cognizable or removable under this act, the said circuit court shall proceed no further therein but shall dismiss the suit or remand it to the court from which it was removed, as justice may require, and shall make such order as to costs as shall be just."

The petition was by the court set for hearing and notice ordered served upon counsel for the receiver of the Michigan Savings & Loan Association. No answer was filed thereto nor was any testimony taken thereon, all of the facts being matters of record in the court. Upon a hearing of a motion of the receivers of the Michigan Savings & Loan Association to strike petitioner's petition from the files, an argument upon the merits of the petition was had and thereafter the court denied the petition.

The order denying petitioner's petition in the Circuit Court not being based upon any issue upon the facts but merely upon argument as a matter of law, the facts set up in the petition must be taken as true, and inasmuch as they appear from the records of the court itself the truth cannot be controverted.

The facts set up and appearing on the record in this case are of a very strange character. It appears that the Michigan Savings & Loan Association was a corporation organized and existing under the laws of the State of Michigan and carrying on a savings and loan business under the provisions of the statutes of the State of Michigan. The statute of the State of Michigan under which this association was organized provided (Act 17, Public Acts 1901):

"Section 21. Whenever it shall appear to the Secretary of State that the affairs of any such association are in an unsound condition, or that it is conducting its business in an unsafe or unlawful manner, the Secretary of State shall at once notify the board of directors of such association, giving them twenty days in which to restore its affairs to a safe and sound condition or to discontinue its illegal practices. If after twenty days such restoration shall not have been made, or such illegal practices shall not have been discontinued, the Secretary of State shall order one of the examiners, appointed

to examine such associations, to take possession of all books, records and assets of every description of such association, and hold and retain possession of same pending the further proceedings hereinafter specified. Should the board of directors, secretary or other person in charge of such association, refuse to permit the said examiner to take possession as aforesaid, the Secretary of State shall communicate such fact to the Attorney General, whereupon it shall become the duty of the Attorney General at once to institute such proceedings as may be necessary to place such examiner in immediate possession of the property of such association. Upon taking possession of the effects of the association as aforesaid, said examiner shall prepare a full and true statement of the affairs and conditions of such association, including an itemized statement of its assets and liabilities, and shall receive and collect all debts, dues and claims belonging to it, and may pay the immediate and reasonable expense of his trust. Said examiner shall be required to execute to the Secretary of State a good and sufficient special bond conditioned upon the faithful discharge of his duties as custodian of such association, which said bond shall be approved by the Secretary of State.

The Secretary of State shall, within fifteen days next after said examiner has acquired possession of the property of such association, convene a special meeting of the shareholders for the purpose of considering and acting upon the examiner's report of the affairs and condition of such association as found by him from his examination thereof. The shareholders may, at said special meeting, by the votes of those owning two-thirds of the shares in force, resolve to go into liquidation, and for that purpose may, by a majority vote of those present, elect from among their number a conservator and fix his compensation. A copy of said resolution, duly certified by the presiding officer and secretary of said special meeting, together with the name and address of the conservator thus elected, shall be filed with the Secretary of State. Said conservator shall be charged with a proper distribution of the assets, discharge of all liabilities and final closing up of the business of such association, and before he shall enter upon the duties of his office he shall be required to execute to the association a good and sufficient bond, conditioned upon the faithful discharge

of his duties, which bond shall be approved by and filed with the Secretary of State. Upon the election and qualification of said conservator as aforesaid, the said examiner shall, when so ordered by the Secretary of State, turn over and deliver to said conservator all the books, papers, money and effects of every description in his hands belonging to such association. Said conservator shall, upon the completion of the duties entrusted to him prepare a statement to that effect, reciting therein that all the liabilities of such association have been completely discharged, and its assets and property distributed among all the persons entitled thereto. Said statement shall be subscribed and sworn to by said conservator and filed with the Secretary of State, and a notice of such dissolution shall be published for three successive weeks in any newspaper published in the county wherein the principal office of such association is located. Upon the filing of said statement and making publication as aforesaid, such association shall be deemed dissolved.

Section 22. If, after having called a meeting of the shareholders as herein provided, the Secretary of State shall find that liquidation by the shareholders cannot be had, or consummated, he shall communicate such fact, together with a statement of the condition of the association, to the Attorney General, who shall thereupon institute the necessary proceedings to enjoin such association from doing any further business, and for the appointment of a receiver therefor."

About the middle of March, 1901, the defendant George Lord, as representing the Secretary of State of the State of Michigan, in accordance with the foregoing statute, made an examination of the affairs of such association and took possession of all its books, records and assets. He found the corporation insolvent and notified the officers that proceedings would have to be taken under the statute for the election of a conservator and for the winding up of the affairs of the association. Those in charge of the association did not desire such proceedings taken and, as the examiner was about to make his report which would make necessary statutory procedure, proceedings were hastened to have a bill of complaint filed in the Circuit Court for the United States for the Eastern District of Michigan to have a receiver appointed and to wind up its assets (Lord testimony, Record p. 687.67)

Ralph L. Aldrich, who had been for some time counsel for the association, had a friend at Muncie, Indiana, named Edward W. Bishop. He was not a stockholder in the association and had no claim against it of any character. Mr. Aldrich got his consent by long distance telephone to commence proceedings in the Circuit Court of the United States, telling him that it was necessary to get a non-resident stockholder to commence such proceedings, and he (Aldrich) desired to be receiver. The then officers of the association issued in the name of Edward W. Bishop a certificate for twenty shares of installment stock of the association which, *when matured*, would be of the value of \$2,000. The officers also issued to Ralph L. Aldrich a certificate of three shares of the so-called "fixed dividend" stock, which *when matured* would be of the value of \$300, giving him on March 27th, 1901, a credit of \$195 paid for such certificate for services. These two certificates Mr. Aldrich took to Muncie, Indiana, and on March 27th delivered them to Mr. Bishop, assigning to Mr. Bishop the certificates for three shares written in his own name, to qualify him as a consideration for his signing the bill of complaint; and thereupon Mr. Bishop signed the bill of complaint, alleging that he was a stockholder and asking that a receiver be appointed for the corporation and its affairs wound up. No consideration was paid by Mr. Bishop for either of the certificates of stock, and no consideration was paid by anyone for the twenty shares issued in his name. It was understood between Mr. Aldrich and Mr. Bishop that Mr. Bishop was not to be put to any expense or cost or liability by reason of the filing of the bill of complaint.

Bishop deposition, Record, p. 54
Aldrich deposition, Record, p. 61

The bill was filed March 30, 1901, Mr. Aldrich having arranged for the employment of counsel for the complainant and of counsel for the defendant. Answers were filed in the name of the association and of the defendant George Lord, practically admitting the allegations of the bill of complaint and consenting to the appointment of a receiver, and on April 11, 1901, Ralph L. Aldrich was appointed receiver upon recommendation of counsel employed by him (Record, p. . .).

The receiver took charge of the assets of the association and proceeded with the administration of the same until October 23rd, 1906, when upon the petition of petitioner Henry A. Cleland et al., Aldrich was relieved of active

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charge of the assets of the association and Matthew B. Whittelsey was appointed co-receiver in charge of the same; since that date and up to the present time such co-receiver having had the affairs in charge.

The petitioner, Henry A. Cleland, first came into the case in May, 1902, in response to an order made April 23, 1902, requiring those who were interested in the distribution of the assets as stockholders to make proof of their claims. He made proof of his claim before a Master and his claim was allowed in the sum of \$2,000. Petitioner with other stockholders filed a petition in the cause in December, 1905, praying for the removal of Ralph L. Aldrich as receiver. No petition for leave to intervene was made or required, but the court made an order requiring the receiver to answer to the petition and referring the same to a Special Master; receiver filed an answer and it was after proceedings had upon such petition and upon a further petition of the same petitioners that an order was made October 23rd, 1906, relieving the Receiver Aldrich from active charge and Co-Receiver Whittelsey put in charge, serious irregularities being found. Petitioner Henry A. Cleland and the same set of stockholders on March 9th, 1906, filed a petition to require the receiver to testify in connection with the foregoing petition. This petition was argued and submitted, but no decision seems to have been rendered.

Again in October 24th, 1906, the same set of stockholders, including Henry A. Cleland, filed a petition that an accountant be employed and an order was made thereon authorizing the employment of an accountant. From which it appears that petitioner Henry A. Cleland was recognized as a party in the case entitled to move the court without special leave.

It appeared that in January, 1909, Theodore Young, John Taylor, et al., as directors of the Michigan Savings & Loan Association applied to the Circuit Court for the County of Wayne, State of Michigan, sitting in Chancery, under Chapter 300 of the Compiled Laws of the State of Michigan, relative to the voluntary dissolution of corporations, applying for the dissolution of the corporation and asking for the appointment of a receiver by that court with authority to make application to the Circuit Court of the United States for the Eastern District of Michigan for the assets of the association, on the ground that the jurisdiction of the Circuit Court had been improperly invoked. While this matter was pend-

ing in the State court, the same gentlemen filed in the Circuit Court of the United States for the Eastern District of Michigan in said cause of Edward W. Bishop vs. Michigan Savings & Loan Association their petition setting up that the jurisdiction of that court had been improperly invoked and asking for dismissal of the cause, this petition being accompanied by a petition to intervene for the purpose of filing the same. And upon the latter petition an order to show cause was issued by the court. Immediately thereafter the receivers Aldrich and Whittelsey filed their petition in the Circuit Court of the United States for the Eastern District of Michigan in the case of Edward W. Bishop against the Michigan Savings & Loan Association asking the court to enjoin the proceedings in the State court and to punish the parties therein for contempt of court in taking such proceedings. Upon which last named petition the court issued an order to show cause and also an order striking from the files the petition in that court of Theodore Young et al. Upon the return of the last named order to show cause, answers were filed by the respondents and the matter was referred to a Special Master under which reference the deposition of the complainant Edward W. Bishop was taken in behalf of the receivers and filed in the cause, in which deposition he freely admitted that the stock was transferred to him simply to qualify him to sign the bill of complaint and he signed it at the request of his friend Aldrich for the purpose of getting Aldrich appointed receiver and prior thereto he had no interest in or claim against the Michigan Savings & Loan Association.

The petition of the receivers for contempt also itself stated that Bishop was qualified by the issue of stock to him for the purpose of filing his bill of complaint, because he was more convenient to reach than any other non-resident stockholder.

Aside from the deposition of Bishop filed in the main cause of Edward W. Bishop vs. Michigan Savings & Loan Association, the facts appeared from the depositions of Aldrich, George Lord and Thomas Hancock, which were taken in behalf of the complainant Ralph L. Aldrich, receiver, in a cause ancillary and growing out of the main cause, the ancillary cause being entitled Ralph L. Aldrich, Receiver, vs. John E. Clark et al, which depositions were filed in the last named cause.

From these records it appears clearly that the complainant Edward W. Bishop never was a bona fide stockholder of the Michigan Savings & Loan Association, but that stock was issued to him merely as a collusive contrivance to qualify him to bring suit in the Federal Courts for the purpose of evading the commands of the Michigan law and getting Aldrich appointed receiver. The petitioner here contends that this constituted a fraud upon the court and upon all the stockholders of the association and that upon the matter being brought to the attention of the court it was mandatory upon the court to proceed no further in the cause but to dismiss the same in accordance with the provisions of Section 5 of the Act of March 3rd, 1875.

I.

AS TO THE POSITION OF HENRY A. CLELAND IN THE CAUSE.

It would seem that the Circuit Court having denied the petition of the petitioner Henry A. Cleland and not having stricken the same from the files or found that he had no right to be heard, no question can be made as to petitioner's standing as a party to pray the court to dismiss the cause, but aside from that consideration petitioner was already in the case and had been for upwards of seven years, and even if he had not been yet considering the character of his interest and the character of the suit, he would be entitled to appear without special leave.

It is undoubtedly true that in the ordinary case where suit is pending between two parties, and an outside third party desires to come in and interpose himself between the rights of the original parties, it lies within the discretion of the court to say whether he should be permitted to come in under all the circumstances then existing, and be heard in the pending case, or whether he should be remitted for the protection of his alleged rights to a separate proceeding, but the courts have recognized that there are cases where from the nature of the controversy or the nature of the claims set up by the one who had intervened, it is not discretionary with the court whether such person should be permitted to come into the case,

but he may come in of right. This distinction is pointed out in the case of

Minot vs. Mastin, 95 Fed., 734.

In this case the Circuit Court of Appeals for the 8th Circuit held that a proceeding which purported to be an independent suit against a Receiver in a pending suit, should be considered as an intervening petition in the pending suit, and that the petitioner's rights were such that it was not necessary that he obtained precedent leave of court before filing his bill or petition. The same doctrine as recognized in the case of

Creditors Commutation Co. vs. U. S., 177 U. S. 311, 315, bottom 44 L. Ed. 782, 785,

wherein the court quotes the opinion of the Circuit Court of Appeals for the 8th Circuit in the same case reported

91 Fed. 570, 573.

See also

In re Columbia Real Estate Co., 112 Fed. 643, 645; C. C. A. 7th Ct.

U. S. vs. Phillips, 107 Fed. 824; C. C. A. 8th Ct.,

where, upon a petition for mandamus to compel the allowance of an appeal from an order denying leave to intervene, the court points out that inasmuch as there are two classes of interventions, one being discretionary with the court, and the other being of right, that the proper practice required the Circuit Court, where an appeal was prayed for, to grant it in every case, leaving it to the Court of Appeals to decide in which class the particular intervention fell. This last case was cited in the

Matter of Reisenberg, 208 U. S. 90, 111, 52 L. Ed. 403, 413.

These were cases where the court had in contemplation the situation first spoken of, that is, an outsider attempting to come into a pending case between two parties in order to protect his rights, but in this case the petitioner is not an outsider. Although the complainant in the case brought his action in his own name, yet he based his bill upon what he claimed to be for the interest of all stockholders, and prayed for a winding up of the affairs of the corporation and distribution of

its assets, and the bill has been treated as being and is in fact one for the benefit of all stockholders, of whom the petitioner here is one.

The petitioner has exactly the same character of rights in the Association and its assets as the complainant claimed to have, and all stockholders would be affected and interested in the same manner, in a final decree in the case. It has been held that parties who have obligations of the same nature as the complainant in the case brought for himself and others and interested in the same way in a decree that should be made, may come in without special leave,

New Orleans vs. Warner, 180 U. S. 199; 45 L. Ed. 493.

In the latter case the bill was treated as a bill for all creditors in spite of the fact that the complainant attempted to file it in his own behalf and obtain the preference for himself alone. The court cites the following cases:

Brooks vs. Gibbons, 4 Paige 374.

Thompson vs. Brown, 4 Johns. Ch. 619.

Hammond vs. Hammond, 2 Bland. Ch. 362.

Even if the case were otherwise than it is, and the suit, instead of being brought by one claiming to be a stockholder was brought by an outsider, and the petitioner here was seeking to defend against the claim of the outsider, it would seem that the court should undoubtedly permit him to do so. See

Bronson vs. L. & M. R. R. Co., 2 Wall. 283; 17 L. Ed. 725, 729,

where it was held that where an outsider sues a corporation, if the directors refuse to defend, or fraudulently combine with the complainant, the courts will permit stockholders to come in and defend (not in the right of the corporation, but in their own right), *this being a necessity as well as in accord with propriety and justice*; otherwise there would be a "reproach upon the law." The foregoing case is cited and applied in

Guaranty Trust & Safe Deposit Co. vs. Duluth & W. R. R. Co., 70 Fed. 806.

But it seems to be an absurdity to say that the petitioner in this case must ask leave to come in to the

case. He is already in the case, has been recognized in it for upwards of seven years, as set out in his petition. In response to an order of this court, requiring the filing of claims, he filed his claim in this cause on or about May 29, 1902. See

Stewart vs. Dunham, 115 U. S. 61; 29 L. Ed. 329, 330,

where it is held that it is a "mere matter of form" whether new parties who come in should do so as co-complainants, or before a Master to prove claims in a case where all are interested in the decree made.

It further appears that this petitioner and other stockholders have at various times filed petitions in the Circuit Court in the cause in regard to Receiver Ralph Aldrich, and his conduct of the affairs of the Association, their petitions being filed without special leave, and their rights being recognized and acted upon; so much so that the present co-receiver, Whittlesey, who is to all intents and purposes the sole receiver in charge of the assets of the Association, was appointed upon the petition of petitioner Cleland and other stockholders, made in the cause, because of their recognized rights therein. It cannot therefore be said that petitioner Henry A. Cleland was not known to the Circuit Court in the cause, and being a stranger thereto, must pray leave to come in before he could address the court in regard to his rights, therein. Nor did the Circuit Court take such attitude.

It seems clear that petitioner had a right to present the jurisdictional question to the court for determination and that this right was recognized, though his petition was denied.

II

A jurisdictional question of this character may be raised by others than the original parties to the cause.

It is true that where the matter of jurisdiction rests upon the personal privilege of defendant such as the exemption from being sued in a district other than where one of the parties resides, that such a jurisdictional objection is waived by pleading to the merits and it has been held that no subsequent party coming into the case could take any advantage of it because the original defendant could not have done so.

But where the jurisdiction of the court is obtained by collusive transfer and a pretended controversy, the defect cannot be waived by any party at any time; it is of such a nature that even the Supreme Court where no notice of it is taken below will of its own motion take cognizance of it and dispose of the case thereon. The case of

Kreider vs. Cole, 149 Fed., 647.

is directly in point, being decided by the Circuit Court of Appeals for the Third Circuit. In that case the question is raised by an intervernor who intervened for the express and only purpose of raising such a question. The case is parallel in many of its facts to the case before the court. It appeared that certain bonds of the defendant were transferred to the complainant for the purpose of qualifying him to commence action. The defendant filed an answer admitting the facts set forth in the complaint. The complainant there, as in this case, knew nothing about the matter in controversy until the day the bill was filed, but consented to sign the bill at the request of counsel for defendant corporation. He paid nothing for the transfer and it was understood that he was to be at no expense and be responsible for no costs. After citing numerous authorities, the case was remanded to the court below with instructions to enter a decree dismissing the bill.

III.

The defect of jurisdiction is not cured by subsequent parties coming into the case, such as The Rochester Savings & Loan Association of New York, nor other stockholders who might be non-residents of the State of Michigan.

It must be considered first that the test of jurisdiction on the ground of citizenship where there are several parties, is that all the parties on one side must be residents of a different state than all of the parties on the other, and if the parties who subsequently came in were aligned with the petitioner, Henry A. Cleland, who is a resident of the State of Michigan, all of the complaining parties would not be of a different residence than the Michigan Savings & Loan Association and George Lord, who were likewise residents of the State of Michigan.

But aside from that consideration, we think the rule is established that the jurisdiction must be determined as of the time when the bill is filed and that subsequent interposition of other parties cannot affect the jurisdiction.

Here again the case of

Kreider vs. Cole, 149 Fed., 647.

is in point, the claim being there made that there being intervening petitioners in that case who had both the requisite citizenship and amount of claim to confer jurisdiction, the original collusive manner of invoking the jurisdiction of the court was immaterial, but the Court of Appeals of the Third Circuit disposes of the matter by saying that there cannot be a valid intervention by them unless there was a valid jurisdiction in the first place. This is in accord with a large number of cases which hold that jurisdiction depends upon the situation at the time the bill was filed, and that the intervention of new parties does not confer jurisdiction.

Speckert vs. German Natl. Bank, 98 Fed., 151.,
C. C. A. 6th Ct.

where it was held as to a receiver of a national bank that he was subject to all the disabilities of the original party.

Olds Wagon Works vs. Benedict, 67 Fed., 1, C. C.
A., 8th Ct.

Kidder vs. Northwestern Mutual Life Ins. Co.,
117 Fed., 997.

Farmers & Merchants' Natl. Bank vs. Schuester,
86 Fed., 161.

Nash vs. McNamara, 145 Fed., 541.

Richmond vs. Findlay, 32 Fed., 641.

Burnham vs. Bank, 53 Fed., 163; C. C. A. 8th Ct.

In this latter case a party who was substituted for a sheriff defendant removed the case which went to trial, verdict and judgment. Jurisdictional question was not raised by the parties, but by the Circuit Court of Appeals of its own motion.

Grand Trunk R. R. Co. vs. Twitchell, 59 Fed.,
727, C. C. A. 1st Ct.

In

Cable vs. Ellis, 110 U. S., 389; 28 L. Ed., 186,

it was said that an intervenor "took his place by interven-

tion in the suit, subject to all the disabilities that rested at the time on the party in whose stead he is to act."

Houston, etc., R. R. vs. Shirley, 111 U. S., 358; 28 Law Ed., 455.

Here the plaintiff, pending the litigation, became the citizen of another state, whereupon the defendants removed the cause. The Supreme Court ordered it remanded on the ground that the right of removal depends upon the situation when the case is begun.

Jefferson vs. Driver, 117 U. S., 272; 29 L. Ed., 897.

Here it was held that the purchaser of property pendente lite, and brought in on a petition for rents and profits, has no right of removal, the proceeding being merely ancillary to the suit pending, and that by purchasing pendente lite, he connected himself with the suit, *subject to the disabilities of the other parties in respect to a removal at the time he came in.*

Stevens vs. Nichols, 130 U. S., 230; 32 L. Ed., 914,

where it was held that upon a removal of a cause, diverse citizenship must appear, both at the time suit was begun and at the time of removal, the case being reversed and remanded in spite of the fact that no question was made by the parties either in the court below or in the Supreme Court as to the right of removal.

IV.

Neither can the passage of time nor the number of character of proceedings taken in the cause affect the duty of the court to dismiss the cause the moment the collusive character of the original invocation of the jurisdiction appears.

The decisions of this court are clear that such jurisdictional defect may be raised at any time, in any manner and at any stage of the proceedings under the Act of Congress, and further that it is the duty of the court of its own motion to investigate and refuse longer to entertain jurisdiction when such facts are brought to its notice and that no consent, waiver, passage of time, proceedings taken or other consideration can affect the question or sustain the further exercise of jurisdiction. In

Cochrane vs. Montgomery County, ¹⁹⁹190 U. S., 260,

an action was taken in a state court to remove by one defendant to the United States Circuit Court. Motion to remand was made by the plaintiff for want of jurisdiction in the Federal Court as one of the defendants was a citizen of the same state as the plaintiff, which motion was overruled. Three trials were had, each one being reviewed by the Circuit Court of Appeals, the first two judgments being reversed and the third affirmed, from which affirmance writ of certiorari was prosecuted to the Supreme Court, and in this court it was held that the Circuit Court had no jurisdiction, and on certiorari the judgment was reversed and the cause remanded to the Circuit Court, with direction to remand to the state court, all costs to be paid by the defendant who cause the removal, one of the plaintiffs in error in the Supreme Court. In the foregoing case, writ of error, which had been prosecuted simultaneously with the writ of certiorari, was dismissed as the judgment of the Circuit Court of Appeals was final, but the Supreme Court stated:

"We deem it our duty to grant the writ of certiorari to which the record on writ of error may stand as a return in order to pass upon the question of the jurisdiction of the Circuit Court in the exercise of one of the essential functions of this court—the determination of the jurisdiction of the courts below."

The foregoing case was cited and followed in the case of

City of Cleveland vs. C., C., C. & St. L. R. R., 147 Fed., 171; C. C. A. 6th Ct.

This case was removed from a state court by one defendant. A motion to remand was denied. Trial by a jury resulted in a verdict and judgment for defendants. Writ of error was sued out by the plaintiff, argued in the Circuit Court of Appeals, and an opinion handed down affirming the judgment. No error was assigned in the matter of jurisdiction. Subsequently the Circuit Court of Appeals, of its own motion, directed a re-hearing upon the single question of the jurisdiction of the court below, and on the sole ground of lack of jurisdiction reversed the judgment and directed that the case be remanded to the state court, costs to be paid by the removing defendant. It is stated by the court:

"Under Section 5 of the Act of 1888, it is made the duty of the Circuit Court as well as of this court at any time that it shall appear that a suit removed from a state court does 'not really and substantially involve a dispute or controversy properly within the jurisdiction of said Circuit Court' to remand it to the court from which it was removed."

In Erie R. R. Co. vs. Burns, 147 Fed., 177; C. C. A. 6th Ct.,

under the authority of the foregoing cases of *Cochran vs. Montgomery County and City of Cleveland vs. C., C., C. & St. L. R. R.*, judgment was reversed with directions to remand to the state court from which the case had been wrongfully removed, *plaintiff in error* to pay costs in the Court of Appeals and in the Circuit Court since removal.

Another late case in the Supreme Court of the United States is that of

Minnesota vs. Northern Securities Co., 194 U. S., 48; 48 L. Ed., 870.

This case was removed from a state court, was heard on its merits below, and the bill of the state dismissed. After the case was argued in the Supreme Court, "the parties were invited to submit briefs" in regard to the jurisdiction of the Circuit Court. Both parties thought the case was properly removed and insisted that the court consider the merits. The Supreme Court, however, reversed the decree and sent back the case, with directions that it be remanded to the state court, stating,

"What was the duty of the Circuit Court when it ascertained that the suit was not one of which it could take cognizance? The answer is indicated by the clause of the judiciary act of March 3rd, 1875, to which we have adverted.

"For the reasons stated, we are of the opinion that the suit does not—to use the words of the Act of 1875—really and substantially involve a dispute or controversy within the jurisdiction of the Circuit Court for the purposes of a final decree, * * * that being the case, the Circuit Court following the mandate of the state, should not have proceeded therein, but should have remanded the case to the state court."

One of the first cases in which the Act of 1875 was considered is that of

Williams vs. Nottawa, 104 U. S., 209, 26th L. Ed., 719.

This was a case where certain municipal bonds had been assigned to the plaintiff so that he might bring suit in the federal court. This appeared from the testimony of the plaintiff on the trial. It was held to be the duty of the Circuit Court to dismiss the suit and proceed no further; and the court says:

"In extending a long way the jurisdiction of the courts of the United States (referring to the Act of 1875), Congress was specially careful to guard against the consequences of collusive transfers to make parties, and made it the duty of the court on its own motion, without waiting for the parties, to stop all further proceedings and dismiss the suit the moment anything of the kind appeared. This was for the protection of the court as well as parties against frauds upon its jurisdiction; for, as was very properly said by Mr. Justice Miller, speaking for the court, in *Barney vs. Baltimore*, supra, such transfers for such purposes are a fraud upon the court and nothing more. * * *

"Inasmuch, therefore, as it was the duty of the Circuit Court on its own motion, as soon as the evidence was in and the collusive character of the case shown, to have stopped all further proceedings and dismissed the suit, the judgment is reversed and the case remanded with instructions to dismiss the suit at the costs of the plaintiff in error, because it did not really and substantially involve a dispute or controversy within the jurisdiction of that court. * * * In this connection we deem it proper to say that this provision of the Act of 1875 is a salutary one, and that it is the duty of the Circuit Court to exercise their power under it in proper cases."

In the case of

Mansfield, etc., Ry. vs. Swan, 111 U. S., 379; 28 L. Ed., 463,

an action at law was brought for damages for breach of contract. Suit was begun in the state court June 10th, 1874; removal petition filed by defendant October 28th,

1879; plaintiff's motion to remand denied December 13th, 1879. The case was tried and resulted in judgments in favor of the plaintiff aggregating over \$350,000. On writ of error by the defendants, the Supreme Court of its own motion, April 21st, 1884, nearly ten years after the beginning of the suit, reversed the judgment and ordered the cause remanded to the state court for want of jurisdiction on account of the lack of necessary diverse citizenship for removal, costs against the removing defendants, who were *plaintiffs in error*. The court, after citing many cases, stated:

"It is true that the plaintiffs below, against whose objection the error was committed, do not complain of being prejudiced by it; it seems to be an anomaly and a hardship that the party at whose instance it was committed should be permitted to derive an advantage from it; but the rule springing from the nature and limits of the judicial power of the United States *is inflexible and without exception*, which requires this court of its own motion to deny its own jurisdiction. * * * On every writ of error or appeal the first and fundamental question is that of jurisdiction, first of this court and then of the court from which the record comes. This question the court is bound to ask and answer for itself, even when not otherwise suggested, and without respect to the relation of the parties to it."

The case of

Ayers vs. Brisbois, 112 U. S. 187; 28 Law Ed. 693,

arose in this district. It was a suit for foreclosure of a mortgage, removed from a state court on the ground of separable controversy and diverse citizenship. It was begun in April, 1879, and removed in November, 1879, went to final hearing and decree in the October term, 1881, and after such hearing and final decree order was entered setting aside the decree and remanding the cause for lack of jurisdiction, and on appeal such order was affirmed.

Farmington Village vs. Pillsbury, 114 U. S. 138; 29 L. Ed. 114,

is a case of a collusive transfer of bonds to create jurisdiction in the United States Court. The case having been tried and resulting in a judgment in favor of the

plaintiff, on writ of error sued out by the defendant, judgment was reversed and the cause remanded, with instructions to dismiss the suit for want of jurisdiction. Speaking of the Act of 1875, it is said:

"To protect the courts as well as parties against such frauds upon their jurisdiction is made the duty of a court *at any time* when it satisfactorily appeared that a suit did not 'really and substantially involve a dispute or controversy' properly within its jurisdiction, or that the parties 'had been improperly or collusively made or joined * * * for the purpose of creating a cause cognizable' under that act 'to proceed no further therein' but to dismiss the suit or remand it to the state court from which it had been removed. This, as was said in *Williams vs. Nottawa*, 104 U. S. 211, 'imposed the duty on the court on its own motion, without waiting for the parties, to stop all further proceedings and dismiss the suit *the moment a fraud on its jurisdiction was discovered.*' * * * It is equivalent to an express enactment by Congress that the Circuit Court shall not have jurisdiction of suits which do not really and substantially involve a dispute or controversy of which they have cognizance, nor of suits in which the parties have been improperly or collusively made or joined for the purpose of creating a case cognizable under the act."

Another case of collusion is that of

Cashman vs. Mador & Sacramento Canal Co.,
118 U. S. 58; 30 L. Ed. 72,

where a written contract indemnifying the plaintiff against cost was entered into.

Little vs. Giles, 118 U. S. 596; 30 L. Ed. 269,

where the evidence showed that real estate was collusively deeded to the complainant in order to enable him to bring suit in the United States Court. The court said:

"We are satisfied that by the Act of March 3rd, 1875, Congress has intended to introduce a rule which shall put a stop to all collusive shifts and contrivances for giving such jurisdiction."

In Texas Transportation Co. vs. Seelingson,
122 U. S. 519; 30 L. Ed. 1150,

the Supreme Court went so far as to hold that, even where the cause was properly removed on a ground of a separable controversy and diverse citizenship, the cause should be remanded after two years, when there had been a discontinuance as to the defendant making a separable controversy.

To the same effect

Torrence vs. Shedd, 144 U. S. 527; 36 Law, Ed. 532.

In *Cameron vs. Hodges*, 127 U. S. 322; 32 L. Ed. 132, the Supreme Court, in reversing the case for want of jurisdiction, stated:

"This court has uniformly acted upon the principle that, in order to protect itself from collusive agreements between parties who wish to litigate their controversies in the Federal courts, it would on its own motion take the objection of the want of jurisdiction in the Circuit Court especially as regards citizenship."

Morris vs. Gilmer, 129 U. S. 315; 32 L. Ed. 690,

is a case very much in point. Here the plaintiff commenced a suit in the Federal Court claiming to be a citizen of a different state from the defendants. Defendants filed a plea setting up prior adjudication of the same matter. This plea was overruled. They thereupon separately answered and plaintiff filed replication. A year after suit was begun, and before final hearing, defendants filed written motion for dismissal of the suit upon the ground that it did not really and substantially involve a controversy within the jurisdiction of the Circuit Court, basing the motion upon affidavits tending to show that the plaintiff was not a bona fide resident of another state from the defendants, and also upon the depositions of the plaintiff and of his father taken in the cause in behalf of the plaintiff. The motion to dismiss was denied and the cause went to final decree in favor of the plaintiff. The Supreme Court refused to consider any of the assignments except that relating to the action of the Circuit Court in denying the motion to dismiss the suit, and reversed the decree and remanded the cause with directions to dismiss the suit because the evidence and affidavits showed that the plaintiff was not a bona fide resident of another state than the defendants.

After citing *Mansfield, etc.*, *R. R. vs. Swan*, 111 U. S. 379, and other cases, the court says:

"These were cases in which the record did not affirmatively show the citizenship of the parties, the Circuit Court being without jurisdiction in either of them unless the parties were citizens of different states, but the above rule is equally applicable in a case in which the averment as to citizenship is sufficient and such averment is shown in some appropriate mode to be untrue. Citing *Williams vs. Nottawa*, *Farmington vs. Pillsbury*, *Little vs. Giles*. And the statute does not prescribe any particular mode in which such fact may be brought to the attention of the court. It may be done by affidavits or the depositions taken in the case may be used for that purpose."

In passing upon plaintiff's contention that the defendants were precluded from raising the question of jurisdiction by inviting the action of the court upon the plea of former adjudication and by waiting until the court had ruled that plea to be insufficient in law, the court said:

"Whether the Circuit Court has or has not jurisdiction is a question which this court must examine and determine even if the parties forbear to make it or consent that the case be considered upon its merits."

Graves vs. Corbin, 132 U. S. 571; 33 L. Ed. 462,

is a case removed from a state court on the ground of separable controversy. The matter of jurisdiction was not raised below. The plaintiff recovered. The case was a very complicated one involving large amounts of money. Plaintiff recovered judgment. Notwithstanding the Supreme Court reversed the judgment, remanding the cause, with direction to the Circuit Court to remand it to the State Court, with costs against the removing defendant, in spite of the fact, as noted by the Supreme Court, "that it is a hardship to the plaintiff to reverse his decree for want of jurisdiction with the Circuit Court after he has prosecuted his suit in that court successfully on his being taken into that court adversely more than six years ago."

Anderson vs. Watt, 138 U. S. 694; 34 L. Ed. 1078,

is a case originally commenced in the United States Court by two executors. After the beginning of the suit, one of the executors was dropped as a co-complainant, his authority having been revoked. But the Supreme Court notwithstanding reversed the judgment and ordered the case dismissed because such co-complainant did not have the proper diversity of citizenship from the defendants, the jurisdictional question depending upon the situation at the time the bill was filed. In the beginning of the opinion, it is stated:

“Under the Act of March 3rd, 1875, determining the jurisdiction of the Circuit Courts of the United States, the objection to the jurisdiction upon a denial of an averment of citizenship is not confined to a plea in abatement or a demurrer but may be taken in the answer; and the time at which it may be raised is not restricted; although the averment as to citizenship may be sufficient, yet if it appear that that averment is untrue, it is the duty of the Circuit Court to dismiss the suit and this court on appeal or writ of error must see to it that the jurisdiction of the Circuit Court has in no respect been imposed upon.”

Cates vs. Allen, 149 U. S. 451; 37 L. Ed. 804.

Here complainants, who were simple contract creditors, brought a bill in equity in a state court to set aside fraudulent assignments for Receiver, etc., and therefore removed the case to the Circuit Court of the United States. While there was sufficient diversity of citizenship to give jurisdiction as to the parties, yet the Supreme Court reversed the decree and directed that the cause be remanded to the state court, under the provisions of Section 5 of the Act of 1875, for the reason that there was no jurisdiction of the subject matter on a suit in equity in the United States Court although the case might properly be one of equitable cognizance in a state court, the distinction between the legal and equitable remedies being preserved in the courts of the United States.

A much cited case is that of

Lehigh Mining & Mfg. Co. vs. Kelly, 160 U. S. 327, 40 L. Ed. 444.

Here the stockholders and officers of a corporation organized a second corporation in another state and con-

veyed lands to it for the purpose of giving jurisdiction to the United States Circuit Court in an action to recover the land on the ground of diverse citizenship of the parties. Suit was dismissed below on the ground that the arrangement was collusive and a fraud upon the court. The Supreme Court affirmed the judgment on that ground. The Supreme Court quotes the language of Mr. Justice Bradley in the case of *Little vs. Giles* that, under the Act of 1875, where the interest of the nominal party is "simulated and collusive and created for the very purpose of giving jurisdiction, the court should not hesitate to apply the wholesome provisions of the law."

In Steigleder vs. McQuesten, 198 U. S., 141, 49 L. Ed., 986,

jurisdictional question was raised by a motion to dismiss based upon proofs taken before a master to whom the case had been referred. The Supreme Court, after citing the provisions of the Act of 1875, *Williams vs. Nottawa*, *Minnesota vs. Northern Securities Co.* and other cases, states:

"The motion, based upon the proofs taken by the master, to dismiss was therefore an appropriate mode in which to raise the question of the jurisdiction of the Circuit Court."

Many more cases might be cited to the same effect, but it seems clear that where, as in this case, the original jurisdiction was founded upon a pretended controversy and a collusive transfer, the provisions of the Act of Congress are mandatory and the cause must be dismissed the moment the facts are made to appear as they do appear upon the record here.

V.

AS TO THE REMEDY BY MANDAMUS.

If the petitioner, Henry A. Cleland, were not already in the case and if the denial of his petition completely cut him off from any rights in the assets of the Michigan Savings & Loan Association in the hands of the court, it would seem clear under the decisions that the order, being final as to him and his rights, would be appealable. But

even if such were the case and the petitioner had a remedy by appeal yet it would not be an adequate one in view of the time and expense to the funds involved in such an appeal.

But petitioner's claim being allowed, though the court refuses to dismiss the case, it cannot be said that his rights are entirely cut off, and it would seem that the order denying his petition is not a final order, and until a final decree in the cause, he would not be in a position to appeal. And meanwhile the assets of the association might be largely depleted through the various proceedings taken. It seems that the Circuit Court of Appeals has no jurisdiction upon a petition for mandamus based upon jurisdictional grounds of this character.

Dowagiac Mfg. Co. vs. McSherry Mfg. Co., 155
Fed., 524, C. C. A., 6th Circuit.

We think this case falls within the rule of

Ex-Parte Wisner, 203 U. S., 449, and
Re Winn, 408 U. S., 458,

²¹³
and that the petitioner is entitled to the relief prayed for.

In view of the fact that a number of proceedings are pending in the Circuit Court in connection with the cause involving expense to the funds of the association, petitioner asks that all proceedings be stayed until a determination by this court upon the jurisdiction of the Circuit Court to proceed further.

PAUL B. MOODY,
Attorney for Petitioner.

20
No. 12 Orig.

Supreme Court of the United States

Office Supreme Court U. S.
FILED

FEB 28 1910

IN THE MATTER of the petition of ~~HENRY H. SWAN~~ ^{JAMES A. WICKENHEED}
for Writ of Mandamus to compel the ~~HONORABLE~~ ^{Clerk.}
HENRY H. SWAN, United States District Judge for
the Eastern District of Michigan, sitting in the
Circuit Court of the United States for the Eastern
District of Michigan, in Equity, to dismiss the cause
pending in said Circuit Court entitled EDWARD W.
BISHOP VS. MICHIGAN SAVINGS & LOAN ASSOCIATION
and GEORGE LORD.

SUMMARY OF FACTS AND INDEX.

I.

The Statutes of Michigan expressly authorize the organization of Building and Loan Associations and *provides steps* to be taken by the Secretary of State to examine and *liquidate* the affairs of such companies when found insolvent.

See Act, Brief pages 2 and 3.

II.

In March, 1901, defendant Lord, representative of the Secretary of State, took possession of the property and affairs of Michigan Savings & Loan Association, same being found insolvent.

Lord's testimony, Exhibit 17, pages 68 and 69.

III.

Ralph L. Aldrich was attorney of defendant Michigan Savings & Loan Association, and after the State officer had taken possession, caused to be issued a certificate of stock of the Association for twenty shares to his friend, Edward W. Bishop, of Indiana, for the purpose of getting himself appointed Receiver of the affairs of the Association. Bishop paid nothing for the stock, had no interest in or controversy with the Association, but consented to file the bill of complaint so his friend Aldrich might secure the appointment as Receiver.

Bishop's deposition, Exhibit 15, page 54.

IV.

Aldrich secured the counsel for Bishop, also counsel for defendant Association, and upon their recommendation he was appointed Receiver by the Federal Court.

Aldrich's admissions, Exhibit 16, page 61.
Order, Exhibit 4, page 17,

V.

Assets of company shown by inventory.....	\$321,000
Cash collected	170,000
Debts paid	\$50,000
Cash on hand.....	65,000
Cost of administration.....	55,000

All debts are paid except a small claim deemed illegal and now being contested. The stockholders are the lawful owners of assets in the hands of the Receiver.

Petition, p. 9.

VI.

Petitioner, with other stockholders, were compelled to seek the aid of the court to stop mismanagement on the part of Receiver Aldrich and compel accounting by him.

Exhibit 6, page 19.

VII.

In January, 1909, about eight years after the appointment of Receiver, petitioner and other stockholders discovered the fraud perpetrated by Aldrich in improperly invoking the jurisdiction of the United States Court,

and took steps to bring the subject to the attention of the court.

Exhibit 12, page 38.

VIII.

In February, 1909, the deposition of complainant Bishop was taken, with Aldrich's forced admissions on cross-examination conclusively showing illegal collusion and filed in said cause.

Exhibit 15, page 54.

Exhibit 16, page 61.

IX.

In March, 1909, petitioner promptly filed his petition to determine the jurisdiction of the court, but a decision was not secured until January, 1910.

X.

The Receiver's counsel has asked for the payment of \$17,500 on account of services. The Receiver is constantly drawing funds under the order of the Court. They are now proceeding in these several proceedings at large expense, and unless a Writ of Mandamus is granted the funds on hand will be used up and nothing remain for the stockholders.

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Supreme Court of the United States

In the Matter of the Petition of
HENRY A. CLELAND

FOR A

**WRIT OF MANDAMUS TO CIRCUIT
JUDGE FOR EASTERN DISTRICT
OF MICHIGAN.**

SUPPLEMENTAL BRIEF FOR PETITIONER.

It is our contention that all the material facts bearing upon the question of jurisdiction were set forth in the petition and exhibits attached thereto. The facts set forth in the return, it seems to us, are not material to the issue, nor do they throw any light whatever upon it, but there are certain statements contained in the return which we assume are conclusions of law drawn by the learned judge from the admitted facts, and we assume that certain implications are intended in the return which in an indirect way present some legal questions. They are all covered by the following:

1st. There seems to be a conclusion that the delivery of stock to Bishop was a bona fide transaction, and therefore the purpose of it was immaterial.

2nd. That the shares of stock which were transferred to Bishop seem to be treated as if they were properly issued and were in reality "stock" within the proper and legal meaning of the word.

3rd. That the judge, having declared in his return that he was not satisfied that the jurisdiction of the court was collusively or improperly invoked, such conclusion precludes further inquiry into the matter.

4th. That, conceding that jurisdiction was in the first instance improperly and collusively invoked, yet the petitioner for the writ of mandamus has been guilty of such laches as to cure the original lack of jurisdiction.

The discussion of the first two propositions necessitates a more complete analysis of the transaction between Aldrich and Bishop and of the history of those certificates than was made in our first brief.

The admitted facts are that the Michigan Savings & Loan Association was, on or about the middle of March, 1901, insolvent and had been for some time previous thereto; that such insolvency consisted substantially in the inability of the company to pay its so-called stockholders according to its contracts with them. On the 27th day of March, 1901, a certificate for twenty shares of what is called "stock" or "installment stock," in the corporation then insolvent, was delivered by one Aldrich to the complainant in this cause, E. W. Bishop, for the sole and only purpose of enabling suit to be brought in the Federal Court, and to secure the appointment of a receivership therein to said Aldrich. On the same day, said Aldrich delivered another certificate for three shares of "paid up stock," the par value of which is alleged to be three hundred dollars. The certificate of the twenty shares was dated January 1st, and issued directly to Bishop by the officers of the corporation. If it was issued at the time it was dated, it is pertinent to inquire when and how Aldrich got hold of it and why he kept it for three months before informing Bishop. If it was not issued until Aldrich took it to Bishop on March 27th, why was it dated back to January 1st? In the books of the company there appears under date of April 1st, 1901, a credit of ten dollars to such stock. How that credit got upon the books is unknown, for it appears that neither Bishop nor Aldrich, the only human beings who could be interested in such payment or credit, ever paid a cent.

There is an equal lack of information as to when the three shares of "paid up stock" were issued to Aldrich. On the face of the stock it is dated January 1st; on the back there is a date of March 1st, and in the books of the company it appears that the stock was paid for by alleged services by Aldrich on March 27th, the day when it was transferred by Aldrich to Bishop. At the time of these entries under date of March 27th and April 1st, the books of the company were in the hands of the Secretary of State.

It will thus be seen that, at the time the original bill of complaint was signed by Mr. Bishop, the twenty

shares of stock which were issued to him had not even been paid for by anybody, and the fair inference from the entire transaction is that they never were paid for but that the credit which was made on the books was wholly unauthorized and that the corporation never received one cent. There is no showing by anybody that the ten dollar credit ever appeared in the cash account of the company, and it seems to us that in these circumstances the learned judge reached an erroneous conclusion of law when he said, on page 15 of the return, that Bishop "owned certain shares of stock when he filed the bill, and that he still owns them and that nobody else had or has any interest in them." If they were never paid for, it seems certain that the shareholders of the corporation are interested in those shares, and that Mr. Bishop is not either in law or in fact.

It further appears from the by-laws of the corporation, which are set out in full in the return and the exhibits thereto, beginning on page 128, that persons desiring to become shareholders must make application according to a form provided for, pay a membership fee of one dollar per share, and agree to be governed by the by-laws of the Association. None of these things were done by Mr. Bishop nor by anyone else for him. When it is remembered that these certificates are themselves merely contracts by which the holder agrees to pay certain moneys at stated periods to the Association, and in return therefor the Association agrees to pay certain dividends and pay back the principal at certain periods and under certain conditions, it becomes at once a contract with mutual obligations, and which to be valid must have been agreed to by both parties, and, when it appears that there never was such a mutual agreement, within the proper and legal meaning of the word, can it be truly said that Bishop was the "owner of shares of stock in said corporation of the par value of \$2,000 and upwards." Not having made any application, Mr. Bishop entered into no obligation to pay the installments which the certificate calls for, and could not have legally received the obligation of the corporation to pay him any dividend or withdrawal moneys. The issue of the certificate of twenty shares was therefore a fraud upon the other mutual shareholders, and the allegation in the bill of complaint, stating that the complainant was the owner of shares of stock in said corporation of the par value of two thousand dollars and upwards, was not true.

We have recited this much to show that there was nothing honest in the transaction from beginning to end. The shares themselves were fraudulent and Bishop was not the owner of any tangible or lawful interest in the corporation. It seems to us that these facts have a substantial bearing upon the bona fides of the transaction between Aldrich and Bishop. We do not see how it is possible to draw a legal conclusion that the deal was an honest one, and it does not help out for Mr. Bishop to swear he still holds the certificate and expects to prove it as a claim against the Receiver, because, manifestly, it is not a legal claim against anybody, first, because the transaction was fraudulent upon the other shareholders, second, he never paid any money into the corporation, nor was any money ever paid on the twenty shares of stock by anyone, and they are therefore not entitled to a dividend under any circumstances, and, third, they were issued when Mr. Aldrich and Mr. Bishop both knew that the corporation was not only insolvent but was in the hands of the Secretary of State because of its insolvency; and in this respect it should not be overlooked that the shares were given Bishop for the sole purpose of enabling him to take the oath, among other things, that the corporation was insolvent. Before taking the shares of stock for the very purpose of starting a controversy with the Michigan Savings & Loan Association, Bishop had no controversy with the corporation, real and substantial or otherwise. Can it be said that, taking such shares without paying for them, and for the sole purpose of giving the Federal Court jurisdiction, creates a real and substantial controversy? And when such shares are fraudulently issued for the same purpose, can it be said that litigation based upon such a transaction is over a real and substantial controversy? If the answer to this question should be in the affirmative, what substantial force would there be left in Section 5 of the Act of March 3rd, 1875?

The return says: "The court was not and is not satisfied that its jurisdiction was illegally or collusively invoked. On the contrary, the court was and is satisfied that the suit involves a dispute properly within its jurisdiction, and that the parties have been properly made and joined. The bill stated a case within the jurisdiction of the court."

Considering the last sentence first, we beg to say that

it seems to us that on the face of the bill of complaint there was not "stated a case within the jurisdiction of the court." The bill was filed for the purpose of appointing a receiver "to conserve the assets and wind up the affairs of the corporation," and this is precisely what a court of equity cannot do without an enabling statute. But in the case at bar there is not only not an enabling statute, but, on the contrary, the statute under which the corporation was created provides precisely how the affairs of such a mutual corporation shall be wound up, and those provisions declare that, when it appears that a corporation is insolvent, or has been mismanaged, the Secretary of State of the State of Michigan shall examine into its affairs and, finding insolvency or mismanagement, shall call a meeting of the shareholders for the purpose of electing a conservator who shall collect and distribute the assets of the corporation. These provisions exclude a court of equity from jurisdiction and especially from taking cognizance for the purpose of dissolving and winding up the affairs of the corporation because of insolvency or mismanagement. There was no allegation in the bill that any stockholder had applied to its officers to have anything done whatever, nor were there any allegations in the bill which gave a stockholder authority to proceed in a court of equity.

In the nature of things, a mutual building and loan association of this kind is one where most of the obligations, if not all, of the corporation are to its so-called shareholders, and the law creating the corporation so contemplated, and further that they, being the parties mostly interested in the corporation, solvent or insolvent, should have the right in case of insolvency or mismanagement to choose for themselves a conservator as above stated. With this statute in force, there was no jurisdiction in a court of equity over the case if no other facts appeared, but the bill itself shows that the Secretary of State of the State of Michigan, in whom was lodged the power to investigate and declare the condition of the corporation, had proceeded under the statute and had taken possession of the assets and affairs of the corporation and was about to take measures necessary to enable the shareholders to select a conservator when the Federal Court intervened. The assets of the corporation then were in the hands of the authorities which the law of Michigan said should take them in case of insolvency or mismanagement, and in our judgment

the Federal Court had no more authority to appoint a receiver to take charge of the assets of the corporation than it would have had if the corporation had been in the hands of a state court. Nor could a state court take the assets out of the hands of the Secretary of State for the mere purpose of winding up the affairs of the corporation. We do not mean to be understood, of course, that a court of equity could not in any circumstance intervene had the bill charged that the Secretary of State was neglecting his duties or was doing things contrary to equity; doubtless a court of equity might take the assets out of his hands. But we do mean to say that, where only the conditions existed which the statute had provided for, no court of equity could interfere.

It has been argued, and probably will be again, that, whether the bill stated a case cognizable by a court of equity or not, the time has gone by when that question can be raised, but we can conceive of no train of reasoning which leads to such a conclusion. If the court did not have in the first place the power to take the assets of the corporation out of the hands of the duly constituted authorities of the state, nothing has since transpired which can give the court that power. Of course it can be imagined that things might have been done which would warrant an interference by an equity court, but it is neither claimed nor shown, nor is it the fact, that anything has happened or has been done which would change the status of the case in this respect. There is no more equity jurisdiction now than there was when the case was begun.

The language used in the return, to-wit, that the court was not satisfied that the jurisdiction of the court was collusively or improperly invoked, would seem to have been made in view of the decision of this court in the case of

Put-in-Bay Water Works vs. Chas. W. Ryan, et al, 181 U. S. 409.

Without attempting to analyze that case in detail, it is sufficient to say that the question of jurisdiction was raised over the amount in controversy. The original bill of complaint contained a statement under oath that the amount in controversy exceeded two thousand dollars.

Subsequently it was made to appear by an ex parte affidavit that the amount in controversy was less than one thousand dollars. It is perfectly obvious that the question of amount was a disputed fact, one person swearing to the jurisdictional amount the other denying it. It therefore was a disputed question of fact about which the court might well be in doubt, and there could not be a legal certainty that there was not the amount necessary for jurisdiction.

On page 431 in the above cited case, this court used the following language:

"It is not clearly shown in this record that at any time after the suit was brought it was made to appear to the satisfaction of the Circuit Court that the suit did not really and substantially involve a dispute or controversy properly within the jurisdiction of this court. On the contrary it appears that the Circuit Court was not so satisfied. * * *

We do not understand that the foregoing language was intended to mean anything more than that the Circuit Court should be satisfied as to the facts, but whatever conclusion of law the Circuit Court might draw from those facts, the soundness of that conclusion may be challenged in this court.

We suppose that by the phrase "legal certainty" is meant that certainty as to the facts which enables the court to draw the proper conclusion of law based upon them. If the facts themselves are in dispute so that different conclusions of fact might fairly be drawn, then there would be a legal certainty. But, if the facts are not in dispute, we do not understand that the statute precludes a review of a conclusion of law based on the established facts.

In the case at bar, there is no dispute over the facts, and, if the court is not satisfied as it has returned or is uncertain, that uncertainty arises over its view of the law and not over the facts. It is our contention that the return of the court is not and cannot be anything but a legal conclusion based on the facts, which is reviewable here.

IV.

On the question of laches, there is very little to be said. As we understand the law, the matter of delay is not material to the question as no consent or waiver of passage of time can confer jurisdiction where it does not otherwise exist. It is, however, stated in the petition to the Circuit Court to dismiss proceedings (page 73, paragraph 3 of Petition and Exhibits) that the petitioner was "lately informed" as to the facts in regard to Mr. Bishop when he filed the petition. The return does not deny this. The petition of the directors filed in the Circuit Court very shortly before that (see page 40, paragraph 3 of Petition and Exhibits) sets up that they were "lately informed" of the facts, and the record is clear that the truth concerning the transaction between Aldrich and Bishop had only just come to light. Aldrich's testimony was taken on January 16th, 1909. It appears in the deposition of Mr. Bishop that Mr. Corliss had interviewed him about the middle of January. The affidavit of Mr. Bishop (see page 46 of Petition and Exhibits) was received on the 19th of January. The depositions of Lord and Hancock were taken in January, and the deposition of Edward W. Bishop was taken February 11th. So that, even were delay material, there is nothing whatever to indicate any delay on the part of petitioner Cleland in raising the question as soon as the facts appeared. The petition to dismiss was handed to the court on the 16th day of March, and a petition setting up the same facts had been filed as early as the 21st day of January by the directors of the Michigan Savings & Loan Association. We state these facts in connection with the statement on page 16 of the return, that the court proceeded in the Bishop case "with unquestioned jurisdiction" until the filing of said Cleland petition. In connection with the return that the work of collecting the assets of the Michigan Savings & Loan Association has been vigorously prosecuted, and as economically as the scattered condition of the assets and the number of claims and suits which have been prosecuted and defended would permit, we call attention to the petition of a large number of stockholders for the removal of the Receiver, which is Exhibit 6 on page 19 of the Petition and Exhibits, and to the fact that, after hearing of said petition, the Receiver was removed from

actual charge of its affairs or assets for gross negligence, although the court did not accept his resignation but compelled him to remain to assist the co-receiver without compensation. After the petition to dismiss the proceedings for want of jurisdiction had been filed, various dilatory tactics to prevent the consideration of the question of jurisdiction were pursued, and successfully enough to cause upwards of one year to pass before a decision was reached by the court on the question.

From the general tone of the return, we are led to believe that something is to be urged in favor of retaining jurisdiction of the cause on the ground of the general equities of the case, although it seems to us that the less said upon this subject the better for the other side.

The Michigan Savings & Loan Association was organized as a mutual benefit corporation; each member as he made his contract with the corporation made a down payment into the treasury and agreed to make further payments. In consideration of the payments made and to be made, the corporation agreed to things to be done by it in return.

The sole business of the corporation was to receive the money of its members and invest it so as to bring to them a profit and to distribute those profits back to the members in the manner agreed upon between it and each member. The nature of this business was such as to preclude any appreciable indebtedness of the corporation to persons outside of its members. So that, practically speaking, the only persons who could have an interest in its welfare and the conservation and distribution of its assets were the so-called shareholders. Because of this fact, the statute provided that the shareholders alone should in case of insolvency or mismanagement have the right to select the persons who should collect and distribute the assets of the corporation and wind up its affairs. It was their affair alone in which no outsider had a right or part.

This right to dispose of their own affairs was one of which they should never have been deprived, and of which, as we have already urged, no court of equity, even if honestly invoked, had the power to deprive them.

It seems that the severe losses caused by the Galveston flood, where the corporation had invested large sums of money, brought on a condition of insolvency

of the corporation and an examination by the state officer appointed by law to make the examination discloses this insolvency, and, as required by law, that officer took possession of the assets and books of the corporation. He was about to call a meeting of the shareholders for the purpose of electing a conservator when the original bill in this cause was launched. It is difficult to determine from the facts whether the scheme by Aldrich of obtaining control of the assets of the corporation was suggested by this condition of affairs or whether it originated on or about the 1st of January and was brought to a culmination by the action of the Secretary of State. However this may be, on the 27th day of March, Aldrich delivered to the complainant in this cause shares of "stock" in the corporation which had been fraudulently issued and delivered them to the complainant without consideration for the purpose of giving Bishop a colorable title so as to bring suit in the Federal Court and wrest the possession of the assets of the corporation from the state authorities where the stockholders had a right to have it remain. Aldrich was appointed Receiver and took possession on or about the 11th day of April. What he did for the next four years is shown by Exhibit 6, page 19, of the Petition and Exhibits. This exhibit is the petition of a large number of stockholders for his removal. It asserts that the Receiver has not been diligent to collect the assets of the Association and administer its affairs expeditiously and with the least expense. It shows that the Receiver was negligent in caring for and protecting the property of the corporation; that, while pretending to devote his entire time and energy to the affairs of the Association, he had been the general counsel and attorney for the Standard Savings & Loan Association of Detroit, which presented a large claim against the Association; that he had involved the Association in useless and expensive litigation, and had made no effort to have the matters in such litigation brought to a speedy determination. Many other allegations of equal gravity are made against him, and the court was asked on account of the things alleged to remove him. This petition was filed more than four years after Aldrich had taken possession as Receiver. The result of this petition was that an order was entered directing the appointment of a Co-receiver, and that Aldrich turn over to the Co-receiver all cash, books of record, books of account, and all property, vouchers, memoranda and papers pertaining to the corporation; that neither before nor since the appointment

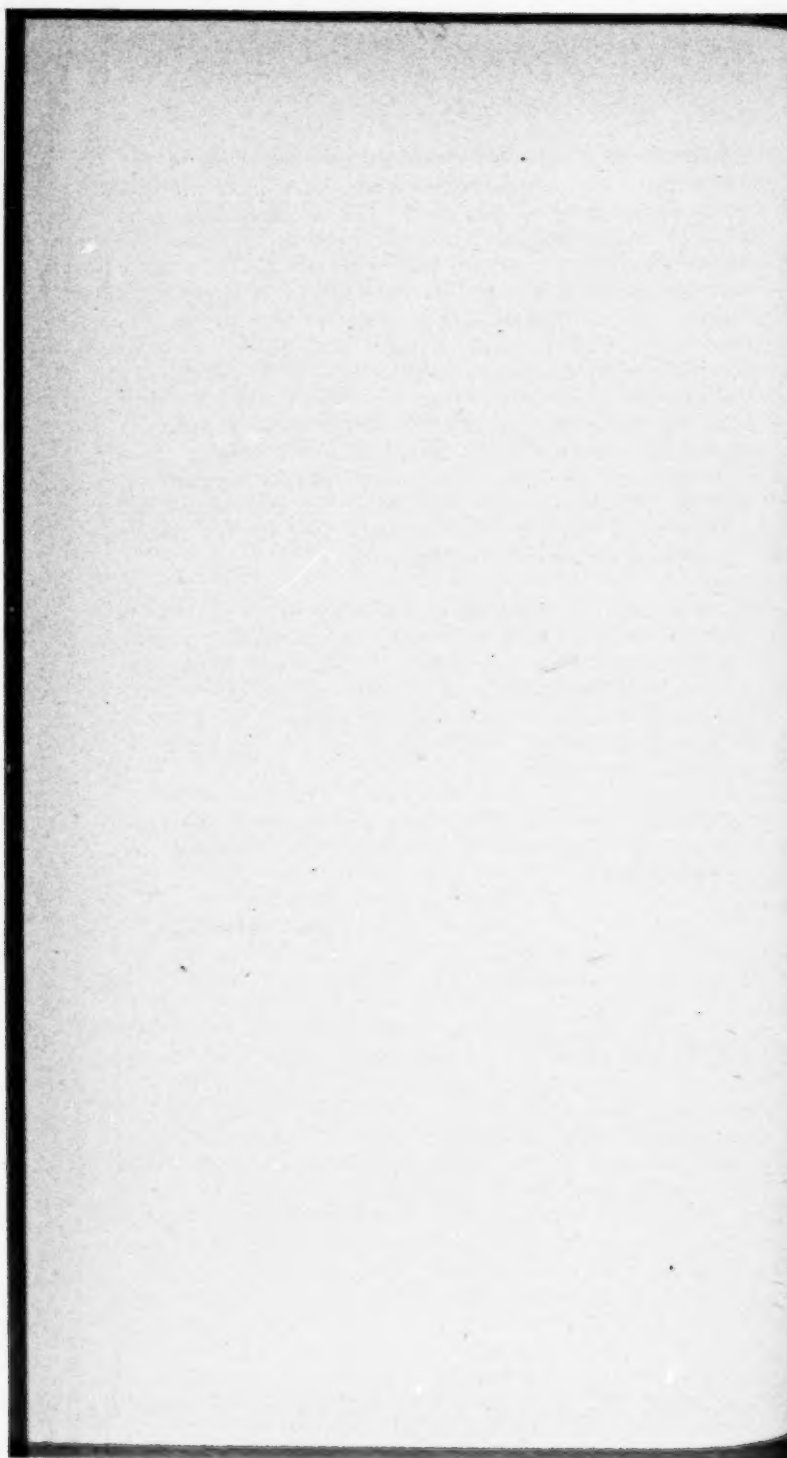
of the Comptroller has there been any distribution of the assets of the company although nine years have elapsed since the launching of the suit. It is incredible that such delay was necessary, nor is there any excuse for it. The shareholders were long ago entitled to their money, and there now remains nothing to be done with the assets in the hands of the Receiver except to distribute them, save a small dispute claimed by an outside concern against the company, unless it be considered that the prosecution of a large number of useless suits against the shareholders of the corporation should be continued and an other delay of years thus imposed. The very question of whether shareholders should be sued is, we submit, a question that can better be determined by them than by a receiver who has thus used up the assets of the corporation in useless litigation.

The collusive character of these proceedings is shown all through the case. No person has acquired any rights through the action or the order of the court that cannot be properly determined and taken care of if the suit be dismissed. There are no claims claimed by anyone to be served by longer continuance of the Receiver in possession of the assets.

We submit, therefore, that there are no equitable reasons whatever that should continue the Receiver in longer possession.

C. D. JONES,

For Petitioner.



SUPREME COURT OF THE UNITED STATES.

IN THE MATTER OF THE PETITION OF HENRY A. CLELAND for writ of mandamus to compel the Honorable Henry H. Swan, United States District Judge of the Eastern District of Michigan, sitting in the Circuit Court of the United States for the Eastern District of Michigan, in Equity, to dismiss the cause pending in said Circuit Court entitled Edward W. Bishop vs. Michigan Savings & Loan Association and George Lord.

No. 12 Original.
October Term, 1909.

And now comes petitioner Henry A. Cleland in the above entitled cause and says that the return of the respondent Honorable Henry H. Swan, United States District Judge for the Eastern District of Michigan, to the order to show cause entered herein, is not sufficient in law and petitioner shows the following grounds for Demurrer:

(1) It appears from the face of said return that the said return does not state facts sufficient to constitute a defense to petitioner's petition and does not show or tend to show any legal cause why a Writ of Mandamus should not issue as prayed for in said petition.

(2) Because it appears upon the face of said return that the said suit of Edward W. Bishop vs. Michigan Savings & Loan Association and George Lord does not and did not at the time it was commenced really and substantially involve a dispute or controversy properly within the jurisdiction of a Circuit Court of the United States and that the parties to said cause were improperly and collusively made and joined for the purpose of creating a cause cognizable under the acts of Congress.

WHEREFORE petitioner prays:

That Writ of Mandamus may issue as prayed for in his said petition.

HENRY A. CLELAND,
By Paul B. Moody, His Attorney.

EASTERN DISTRICT OF MICHIGAN
COUNTY OF WAYNE ss.

PAUL B. MOODY, being first duly sworn, deposes and says that he is one of counsel having principal charge of the above entitled cause on behalf of petitioner Henry A. Cleland and that the foregoing demurrer is not interposed for delay but the same is in his opinion well-founded.

PAUL B. MOODY,

Subscribed and sworn to before
me this 24th day of March, 1910.

(SEAL.) BENJ. S. PAGEL,

Notary Public, Wayne Co., Mich.

My commission expires Sept. 7, 1912.

SUPREME COURT OF THE UNITED STATES.

No. 12 Original, October Term, 1909.

Ex parte in the matter of
Henry A. Cleland, Petitioner.

To De Forest Paine, Esq.,
Attorney for Respondent.

You will please take notice that you are hereby served with a copy of petitioner's demurrer to the return of respondent to the order to show cause entered in the above matter, and that said demurrer will be brought on for hearing and argument before the Supreme Court at the Courtroom in the Capitol at Washington, D. C., on

Monday, the 4th day of April, 1910, at the opening of Court or as soon thereafter as counsel can be heard.

PAUL B. MOODY,
Attorney for Petitioner.

Dated, Detroit, March 24, 1910.

EASTERN DISTRICT OF MICHIGAN
COUNTY OF WAYNE—SS.

HAROLD COLLINS, being first duly sworn deposes and says that on March 24, 1910, at Detroit, Michigan, he served a notice of which the foregoing is a true copy, together with copy of petitioner's demurrer to the return of the respondent in the above entitled cause, upon De Forest Paine, attorney for said respondent, by handing same to Mr. Charles Hilton, the person in charge of said attorney's office.

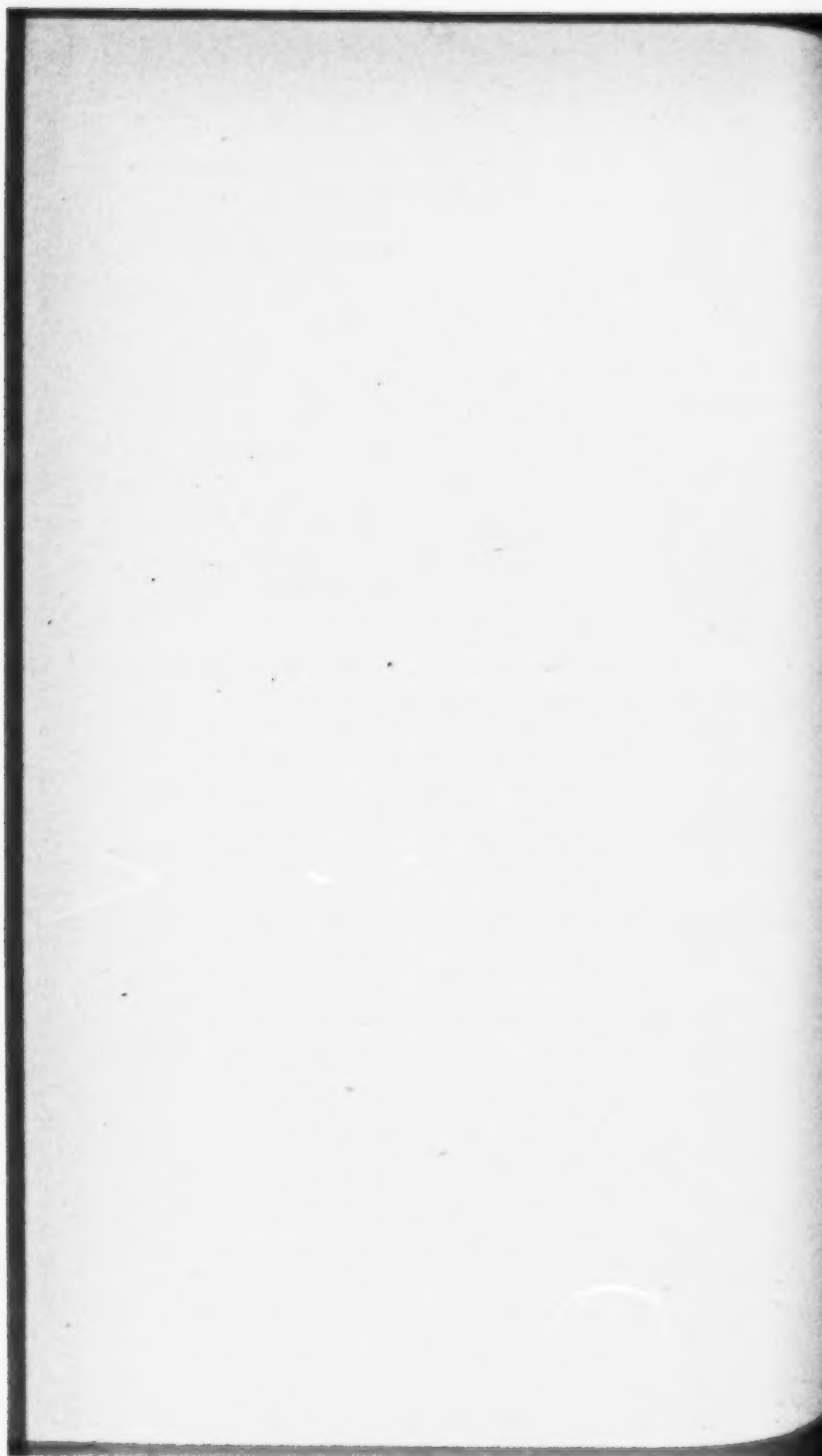
HAROLD COLLINS.

Subscribed and sworn to before me
this 24th day of March, 1910.

(SEAL.) JULIAN DICKINSON,

Notary Public, Wayne Co. Mich.

My commission expires Jan. 17, 1914.



No. 12 Orig.

U. S. Supreme Court, D.
C. No. 12, 1910

MAY 15 1910

U. S. Supreme Court, D.
C. No. 12, 1910

Supreme Court of the United States

IN THE MATTER of the petition of HENRY A. CARMAN
for Writ of Habeas Corpus to compel the return of
HENRY M. SWAN, United States District Judge for
the Eastern District of Michigan, sitting in the
Circuit Court of the United States for the Eastern
District of Michigan, to appear in the case
pending in said Circuit Court between GEORGE W.
FISHER vs. MICHIGAN SAVINGS & LOAN ASSOCIATION
and GEORGE LANE.

THE ANSWER AND RETURN OF HENRY M.
SWAN, DISTRICT JUDGE, TO THE ORDER TO
SHOW CAUSE IN THE ABOVE MATTER.

IN WITNESS WHEREOF,

Subscribed and sworn to before me this 10th day of May, 1910.

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Supreme Court of the United States

IN THE MATTER of the petition of HENRY A. CLELAND for Writ of Mandamus to compel the HONORABLE HENRY H. SWAN, United States District Judge for the Eastern District of Michigan, sitting in the Circuit Court of the United States for the Eastern District of Michigan, in Equity, to dismiss the cause pending in said Circuit Court entitled EDWARD W. BISHOP VS. MICHIGAN SAVINGS & LOAN ASSOCIATION and GEORGE LORD.

THE ANSWER AND RETURN OF HENRY H. SWAN, DISTRICT JUDGE, TO THE ORDER TO SHOW CAUSE IN THE ABOVE MATTER.

In compliance with the order made in this matter requiring the undersigned to show cause why a writ of mandamus should not issue as prayed, I respectfully return and answer as follows:

1. Paragraphs 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 of the petition are admitted except that the date "November 1st, 1909," in Exhibit 5, should be 1903, and except as hereinafter stated. And respondent avers that the bill of complaint states that the complainant is the owner of stock of the par value of two thousand dollars and upwards.

In regard to the examination of Receiver Aldrich before the Master, it may be said that the Master reported in addition to what is set forth in paragraph 10 of the petition as follows:

"I am satisfied that Mr. Aldrich, the Receiver, has fully accounted for all the moneys which he has received according to the cash book and ledger kept by him and as computed by the expert accountants, N. A. Hawkins & Co., after an exhaustive and comprehensive examination of Mr. Aldrich's books and records, and I so find as a fact."

In the settlement of his accounts Mr. Aldrich paid interest on the sums which he had received, and it was also the understanding with the court that he was to have no additional compensation. His resignation was not accepted and he was continued as receiver by the court, and is now acting as such, although Mr. Whittlesey, the co-receiver, is and has been since appointment in possession of the funds under an order of the court.

Referring to the matters set forth in paragraphs 13, 14 and 15, the order on the petition of Theodore Young et al., specified in paragraph 13, which order permitted them to file their intervening petition and required the receiver, M. B. Whittlesey, to show cause February 1st, 1909, was made on an ex parte application in behalf of the petitioners and without disclosing, as the petition accompanying the request to file, did not disclose that the petitioners had filed in the Circuit Court for the County of Wayne, State of Michigan, a petition charging waste by the Circuit Court of the United States in the administration of the funds and affairs of the association in its possession without showing or averring that any application had been made to said court to stay the waste or correct the matters complained of.

On learning of the true character of the said petition filed in the Circuit Court for the County of Wayne, and from the petition of the receivers filed on the 23rd day of January, 1909, the leave given to file the said petition of Theodore Young and others was revoked and the petition stricken from the files as stated in the petition herein. A copy of the petition of the said receivers filed in this court praying a stay of proceedings on the petition filed in the said Wayne Circuit Court is hereto attached and marked Exhibit "A." Attached to said Exhibit "A" is a copy of the said petition filed by the said Theodore Young and others in the Circuit Court for the County of Wayne.

It appears from the said petition of the said receivers that the petitioners not only charged the Circuit Court

of the United States with waste without showing any application to the court to stay it, but were interfering with the collection of the assets by the receiver.

The next day after the order made on the 25th day of January, 1909, striking the said petition of Theodore Young and others from the record was made, Thomas F. Hancock, who was vice-president of said association when the receiver was appointed, was examined in this court and testified that the petitioners, Theodore Young, John Taylor, James E. Howard, William C. Koehn and Charles Cone, who filed said petition in the Circuit Court for the County of Wayne, and who also asked leave to file their said petition in the Circuit Court of the United States as directors of said Michigan Savings & Loan Association, derived their authority and office as such directors in this way:

Three of the directors of the Michigan Association, who were such when the receiver was appointed, to-wit: Frederick B. Wemple, Butler Ives and Thomas F. Hancock, met at the office of George William Moore, 12 Campau Building, Detroit, and there undertook to resign and appoint the said Theodore Young and others directors of the said association. There were present also at that meeting George William Moore, John B. Corliss, Clarke E. Baldwin, and perhaps one or two others.

The said Wemple, Ives and Hancock are all defendants as directors and stockholders in the dependent cause of Ralph L. Aldrich, receiver, vs. John E. Clark and Robert T. Gray, Administrator of the Estate of Scripps, John B. Corliss and others, hereinafter referred to.

The testimony taken in the cause shows that the said Wemple had converted the securities of the association to his own use; that Butler Ives had long ceased to give any attention to the corporation as a director before it failed; that the board of directors seldom met, and that for some time prior to the appointment of the receiver the affairs of the corporation had been in the hands of the said Frederick B. Wemple, its secretary and manager.

The said Theodore Young and others who filed said petition in the Wayne Circuit Court claiming to be directors, were not the only persons who at or about that time were interfering with the recovery by the receivers of the assets of the association. It appears from the testimony of Jay W. Curtis, one of the attorneys for the Estate of George H. Scripps, deceased, or

one of the executors of his will, that he received a letter from the said John B. Corliss pending the negotiations between the receivers and the estate of said Scripps for a settlement of the liability of the estate of Scripps set forth in the said dependent bill of Aldrich; Receiver, vs. Gray and others, which halted the negotiations; that afterwards Mr. Curts visited Mr. Corliss in Detroit and was shown by Mr. Corliss the affidavit of Edward W. Bishop concerning Bishop's stock holdings. Thereafter on that information and by reason of said petition filed in the Circuit Court for the County of Wayne, Mr. Curts went to the office of Mr. Paine, counsel for the receivers, and withdrew his oral offer of \$15,300, which offer Mr. Paine had asked him to put in writing. A copy of the said deposition of the said Jay W. Curts is hereto attached, made a part hereof and marked Exhibit B.

2. Answering paragraph 16 of said petition, this respondent admits that on or about February 15th, 1909, there was filed in the Circuit Court of the United States the deposition of the complainant, Edward W. Bishop, taken in said contempt proceedings, but he denies that it appears from said deposition that said Bishop was not a bona fide stockholder of said association when he filed the bill of complaint therein, and avers that he was a bona fide stockholder in said association when he filed said bill of complaint, and still is such; that he then held and owned and still holds and owns two certificates of stock in said association. While it appears that said stock was transferred to him without consideration except to sign the bill, and in order that he might be qualified to file the bill, it does not appear that any other person has any interest, direct or indirect, in the said shares so held and owned by the said Bishop, and it does appear that he was when the bill was filed and is now the sole owner thereof; that said transfer was not colorable but actual. And while it appears that it was one of the motives for transferring the stock to the said Bishop and of the said Bishop in filing the bill, that his friend Aldrich might be appointed receiver, it was not the only motive, nor perhaps the controlling motive, inasmuch as he states in his deposition that he was informed by Aldrich that there were many stockholders in different States who would be benefited by the filing of the bill in the United States Court; that the assets were located in different States, and it would be detrimental to the

stockholders to have receivers in the various States. Bishop testified:

"Q. Now, Mr. Bishop, in signing that paper you were satisfied that you did it not only to help Mr. Aldrich, but all the shareholders of the corporation, did you not?

A. Well, it was for the benefit of all concerned in the association."

Bishop further testified he intends to prove his claim on his stock.

It appears from Mr. Aldrich's testimony that on certificate No. 8605 ten dollars has been paid [REDACTED], as appears by the books of the association. On certificate No. 2022, for three shares, which certificate was held and owned by Bishop when he filed the bill, that \$195 had been paid by Aldrich in services to the association, for which services the stock was issued to him.

Inasmuch as the whole of Bishop's deposition is not printed by the petitioner, a true copy of the whole thereof is hereto attached, made a part hereof and marked Exhibit C.

Mr. Aldrich correctly advised the said Bishop concerning the property and interests and stockholders of the association. The facts are there were many stockholders of the association who lived in several different States of the Union; that it had made loans upon properties in different States from Pennsylvania to Wyoming and from Northern Peninsula of Michigan to Texas; many loans having been made in the City of Galveston; that the greater part of its loans were represented by trust deeds on property situate in the State of Texas.

Before Mr. Aldrich had been considered as a receiver for the association George W. Lord, one of the defendants in the cause, Thomas F. Hancock, vice-president; Frederick B. Wemple, the secretary, had, after Mr. Lord's investigation of the association, agreed that it was insolvent and that a receiver should be appointed. Conferences and consultations had been held between the present Governor of Michigan, Fred M. Warner, who was then Secretary of State; George W. Lord and Horace M. Oren, the Attorney-General of the State of Michigan, and between Lord, Wemple and Hancock concerning the affairs of this association and the best course to be pursued concerning it—the best with reference to the interest of its shareholders. They decided that a

receiver best be appointed in the United States Court. Lord testified that they feared that if a conservator was appointed under the State law, that receivers might be appointed in every State where the association had assets, and so make large and unnecessary expenses. They considered, too, that the State courts of Texas would hold many of the Texas loans usurious and so large losses would be made. Lord testified that at the time he talked these matters over with the Attorney-General he had had no talk with Aldrich about the latter's being receiver, and that, in fact, he never talked with Aldrich about his being receiver. And he further testified that Wemple thought that a receiver was the best course to pursue. Thereafter Mr. Aldrich was selected by them to be such receiver, and was subsequently appointed on the bill and answers filed in the cause. And when he was appointed there were present in court Mr. John D. Conely, representing the complainant; Mr. Horace M. Oren, Attorney-General of the State of Michigan, representing the defendant George Lord; Mr. Fred M. Warner, then Secretary of State for Michigan, and Mr. De Forest Paine, representing the Michigan Savings & Loan Association, and upon the consent of all these persons Mr. Aldrich was appointed receiver. Mr. John D. Conely was a well known lawyer of ability and unquestioned integrity, who has since died.

At the time the said bill was filed the said corporation was insolvent, and had been since on or about the 1st day of January, 1896. Not in the sense that it could not pay its creditors other than its shareholders, but in the sense that it could not pay the shareholders the sums of money paid in by them and due them in accordance with the by-laws. It had long ceased to be a money-lending corporation; it had not made any loans, unless it be one or two small ones, since 1896, and it had almost continuously engaged in borrowing money and selling new shares of stock to pay off withdrawing stockholders and pay series of shares as matured which were unmatured. The testimony of Charles O'Donnel, an expert accountant, taken in the cause shows that the first series of shares which were paid on or about the 1st day of January, 1896, were paid before the earnings had matured them, and that from that time the corporation ran farther and farther behind.

Shortly before the appointment of the receiver the corporation charged off at one time for losses which it had made up to that time the sum of about two hundred thousand dollars.

Their stock liability, as shown by the said expert, on December 31st, 1900, was:

Installment stock	\$172,091.51
Paid-up stock	114,911.94
Fixed dividend	240,495.00
	<hr/>
	\$527,498.45

The debts of the association at the time the receiver was appointed to others than shareholders were one hundred thousand dollars and upwards.

The claims proved by the stockholders on stock, and uncontested, amount to the sum of \$421,000.

3. Answering paragraph 18, this respondent says that on or about the 30th day of June, 1903, pursuant to authority so to do granted by the Circuit Court of the United States for the Eastern District of Michigan, in Equity, in the said cause of Edward W. Bishop vs. Michigan Savings & Loan Association and George Lord, Ralph L. Aldrich, receiver of said Michigan Savings & Loan Association, filed his ancillary bill of complaint in the cause against John E. Clark, Frederick B. Wemple, Butler Ives, Thomas F. Hancock, John B. Corliss, W. A. C. Miller, George L. Maltz, who were from time to time directors in the said Michigan Savings & Loan Association, and against about 500 others, stockholders thereof. A copy of said bill is hereto attached, made a part hereof and marked Exhibit D.

Many of the defendants appeared in the cause, some of whom answered, among whom was the defendant John B. Corliss; a copy of his answer is hereto attached, made a part hereof and marked Exhibit E. Other defendants demurred and others plead the statute of limitations. About 80 lawyers appeared in the cause. The demurrer of Robert T. Gray, administrator of the Estate of George H. Scripps, deceased, came on for argument before the court, and upon consideration the demurrer was sustained and the bill dismissed. Thereupon the receiver appealed to the Circuit Court of Appeals for the Sixth Circuit, which court heard and decided the appeal, reversing the decree of the court below and sending the cause back for further proceedings. Its mandate was filed in the court below on the 16th day of October, 1906. The opinion of the court will be found in the 147 Federal Reporter, page 453.

Thereafter the remaining demurrers were brought on for hearing and argument and were overruled, answers

were filed by certain of the defendants who had demurred, and such proceedings were afterwards had that the cause was brought to an issue some time in April, 1907. The complainant began at once to take his testimony in the cause and prosecuted the same with diligence, taking testimony, meantime, by deposition in the States of Pennsylvania, Michigan, Nebraska, South Dakota, Colorado and Texas, and finished his proofs in the early spring of 1909. The time allowed by the rules and practice and orders of the court extending the time for taking of proofs having expired, the cause was duly noticed for hearing and is now on the docket for hearing at the present March term of court.

In the said cause the receiver, Ralph L. Aldrich, was sworn on the 19th day of April, 1908, and his testimony begun on that day and continued from time to time down to the 25th day of February, 1909, when it was finished. There are 369 typewritten pages of his deposition.

When his testimony was nearly closed, and on the 16th day of January, 1909, Mr. John B. Corliss appeared and cross-examined Mr. Aldrich, against objection that the examination was not pertinent to the testimony in chief, on the subject of Edward W. Bishop's stockholdings and his dealings with him.

It appears from said deposition that the said Aldrich had acted as the attorney for said Michigan Savings & Loan Association from time to time during the year prior to the filing of the bill of complaint of Bishop against said Michigan Association, not on a salary, but on special employment. And this respondent says that on turning to the testimony of the said Aldrich he finds that said Aldrich said that he knew at the time of his dealings with Bishop that Bishop was not a holder of stock on which he had paid \$2,000. And this respondent denies that it is set forth in the bill of complaint, or in any pleading, or in any deposition, so far as this respondent is advised, that Bishop had paid \$2,000 for the stock held by him. The averment of the bill is that "he is the owner of shares of stock in said corporation of the par value of two thousand dollars and upwards."

Aldrich's interest in the matter was to get himself appointed receiver. And he states that the proceedings of Bishop were taken for the purpose of getting into the United States Court.

And this respondent avers for further answer to said paragraph that said Aldrich further testified that John

D. Conely was employed by and authorized by the complainant to file the bill in this cause; that later he came to the said Aldrich and said that he wished to be relieved in order that he might take a retainer from Mr. A. P. Vier, one of the defendants in the cause; that the complainant Bishop's interest was simply the interest of the stockholders at large; whereupon the said Aldrich talked with Mr. Durfee, of Nichols & Durfee, and wrote to Mr. Bishop concerning it, who Aldrich thinks wrote direct to Mr. Durfee authorizing him to act for him in the matter; whereupon a stipulation was made and filed, which appears of record, that Nichols & Durfee be substituted for John D. Conely.

4. Answering paragraph 18a, this respondent says that the deposition of George Lord was taken and filed as stated in said paragraph. The whole deposition is not printed as an exhibit to the petition, and is attached hereto and made a part hereof and marked Exhibit "F." From it it appears that the said George Lord was in charge of the office of the Michigan Savings & Loan Association at the time the bill was filed and had been for a number of days prior thereto, representing the Secretary of State for Michigan for the purpose of examining into the affairs of the said association; that he conferred with the directors and told them that the Department of State would have to proceed under the statute of the State of Michigan, and called a special meeting of the shareholders for the purpose of electing a conservator; that he stopped them from doing business; that he understood they had someone to file a bill of complaint in the United States Court; that the proceedings were hurried on account of his examination and presence and what he proposed to do.

It further appears from his deposition that he had not completed his examination when the bill in this case was filed, and the bill was filed and hurried action in filing it and in preparing it was taken for the reason that when he should have finished, the said steps with reference to stockholders and a conservator would have to be taken. He says that he was about to send out notices, but it seems he had not, nor had he finished his inventory of the assets when the bill was filed. He testifies: "Q. You do not know it was necessary to go outside and get a stockholder or somebody pretending to be such? A. I did not know, no, as far as the Department of State is concerned, when I say they would have to proceed in that way. This proceeding was hur-

hands of receiver Whittlesey at this time. It appears from the testimony of the receiver in explanation of the difference between the amount of the assets, \$321,000, and the amount received, \$170,000, that the assets as first reported by him and taken from the books of the association were largely fictitious; that in many instances mortgages were carried as live assets which had been paid and discharged; that in other instances the lands on which the mortgages rested had been sold for taxes and tax liens had accumulated to such an extent that there was no equity left in the property out of which to realize the mortgage debt. That in other instances the land and buildings were never of the value of the mortgage loan. That the amount in some instances of the mortgage loan had been swelled by crediting dues never received. He testifies that he realized upon the assets at private sale, not at public auction, and that in his opinion he realized all that it was possible to get out of the several properties sold. The claims of the stockholders re-referred under objections made by co-receiver Whittlesey amount to about the sum of \$40,000, including the claim of James S. Galloway, \$15,048, on the certificate of stock in said association, No. 8198, for \$22,800, issued to Wemple and delivered to Galloway by said Frederick B. Wemple without consideration to the Association and to secure his own private debt.

The petition of De Forest Paine is pending, as set forth in said paragraph, wherein he prays for an allowance on account for services; the sum asked for is not set forth in his petition, and in his testimony in the matter he asked for \$15,000 on account. Up to the time of filing his petition in October, 1909, he had rendered services during the course of nearly eight years and had received on account thereof the sum of \$5,300 only. During that time he had been twice in the Court of Appeals for the Sixth Circuit, and argued the appeals herein specified.

8. Answering paragraph 25 of the petition, Mr. Paine having presented his petition for compensation, an order of reference to a Master was made, which order required him to examine, take proofs and report with his opinion in the matter. The matter coming on before the Master, Mr. John B. Corliss appeared and filed a paper objecting to the proceedings before the Master, a copy of which paper is attached hereto, made a part hereof and marked Exhibit "G."

No other attorney appeared before the Master or other person to contest Mr. Paine's petition, and no other paper was filed on said petition except that later and during the progress of the hearing a paper was filed by Mertz & Renaud, solicitors, based on an alleged want of jurisdiction in the court objecting to an allowance to Mr. Paine; but they did not appear before the Master to contest his petition. Mr. Corliss appeared for himself, Frank O. Waldo, William Bradley and James Howard, all defendants in the case of Aldrich vs. Clark, Gray et al., and served except Howard. All said persons had filed petitions in the cause for money; all had been heard and dismissed except that of said Corliss, who had been allowed and paid money on account of a claim for services rendered to said association. The matter coming on before the Master, Mr. Corliss offered testimony to sustain his objections to the jurisdiction, and a motion being made by Mr. Paine to define the issue before the Master, the court thought it improper in the form that the pleadings were in before the Master, and on that reference and in view of the fact that the court was considering the petition of Cleland raising the question of jurisdiction, that the issue of the jurisdiction of the court should be tried in that way before the Master, and so struck the said objections to the jurisdiction from the record.

For further answer and return this respondent says that on the appointment of the receiver on the 11th of April, 1901, he proceeded to take possession of the assets of the Michigan Savings & Loan Association and to administer its affairs. He at once took steps to have himself appointed receiver in two courts of the United States in the State of Texas, to-wit: The Circuit Court of the United States for the Northern District of Texas, and the Circuit Court of the United States for the Eastern District of Texas. He was appointed receiver by said courts and administration of the assets of said association in the State of Texas was had in those courts; that administration is concluded in said courts, and the receiver has made his report to the court of primary jurisdiction. All of the real property of the association with one or two exceptions has been sold and disposed of under orders of said several courts. Sales of said property have been ordered by the Circuit Court of the United States for the Eastern District of Michigan after a reference upon the petition of the receiver for leave to sell to a Master and on the report of the Master recom-

mending the sale, and the decision of the court on such reports.

Many intervening petitions have been filed in the cause and litigations had thereon, orders have been made for the payment of debts and a large indebtedness paid by the receiver upon those orders, so that there now remains only the said claim of the said Rochester Savings & Loan Association outstanding. Among the important claims litigated on intervening petitions was that of the Standard Savings & Loan Association, a building and loan association organized under the laws of the State of Michigan, having its principal office in the City of Detroit, Michigan. It filed its intervening petition setting up its claim, and by consent of Mr. John D. Conely, counsel for receiver Aldrich, and on the admission of the receiver, an order was entered on the 12th day of July, 1901, establishing that claim at the sum of \$44,240.33. Afterwards, and after Mr. De Forest Paine had been appointed counsel for the receiver, which appointment was made on or about the 2nd of December, 1901, proceedings were taken by him to set aside and vacate that order and to contest that claim on such proceedings; that order of the 12th of July, 1901, was vacated, the receiver answered the petition of the claimant, proofs were taken, the matter brought to a hearing and a decree entered dismissing the petition. From that decree the Standard Savings & Loan Association appealed to the Court of Appeals for the Sixth Circuit, which court heard the appeal and affirmed the decree of the lower court dismissing the petition. The court afterwards sent down its mandate, which was filed in the court below on the 1st day of September, 1908. The opinion of the court will be found in the 163 Fed. Rep., p. 216.

The opinion of the Court of Appeals in that matter was filed in June or July, 1908, and after the time had expired within which the judgment of said court might be reviewed, and on, to-wit: the 30th day of December, 1909, Matthew B. Whittlesey, co-receiver, filed his petition setting forth the fact that the time had expired within which that judgment might be reviewed, stating, among other things, that no dividend could have been declared or paid by him until that time had expired, nor if he had been defeated in that litigation could any dividend have been declared, inasmuch as the amount of that claim, at the date of final judgment, was, with interest, \$60,985.46, and the amount of money in his hands was \$64,222.22, and he prayed that he might be authorized

to pay to the shareholders a dividend in such sum as the court should decide. The said petition set forth the pendency of the petition of the receiver's counsel for compensation and the several other matters pending and undetermined in the court, a copy of which said petition is hereto annexed, made a part hereof and marked Exhibit "H."

The only objection filed by any person to said petition on its coming on to be heard on the 7th of February, 1910, was one filed by Corliss, Leete & Joslyn in the cause, specifying themselves as solicitors for Frank O. Waldo, John Taylor, John B. Corliss et al., a copy of which objection is hereto attached, made a part hereof and marked Exhibit "I." It will be seen on examining the paper that it objects to all proceedings on the petition because the court is without jurisdiction in the cause and because steps have been taken to review the action of the court on the question of jurisdiction. The said petition is pending undetermined.

The petition of Henry A. Cleland having been fully argued on the merits thereof, the court took the matter under advisement. The petitioner, Henry A. Cleland, as shown by his own petition, came into the proceedings under an order requiring proof of claims on the 29th of May, 1902, and made proof of his claim as a stockholder, holding twenty shares of its full paid stock of the par value of \$2,000, upon which the Special Master made a report, including that claim. He presented his petition challenging the jurisdiction of the court on the 16th day of March, 1909. But neither in said petition, nor in any other paper, does he give any valid reason for his long delay in raising that question. From the time he proved his claim in the cause until he filed his petition the administration of the affairs of the association was going on in three courts, its property was being disposed of, appeals to courts of appeals were being taken on matters in litigation, litigated matters were heard and determined in the court below, large expense was being incurred in the matter of the receivership.

It appears, as hereinbefore stated, that Edward W. Bishop was the sole owner of certain shares of stock when he filed the bill, and that he still owns them, and that nobody else had or has any interest in them. He testifies that he filed the bill in behalf of all shareholders, and the bill in its nature is such a bill. All—about five hundred and fifty in number—have come in. The court was not and is not satisfied

that its jurisdiction was illegally or collusively invoked. On the contrary, the court was and is satisfied that the suit involves a dispute properly within its jurisdiction, and that the parties have been properly made and joined. The bill stated a case within the jurisdiction of the court; the court proceeded on the said bill and the answers for nearly eight years with unquestioned jurisdiction until the filing of the said Cleland petition; and this respondent believes and submits with deference that that jurisdiction has not been lost, and so believing after due consideration and investigation, denied the prayer of the said Cleland petition.

This respondent further says that the work of collecting the assets of the said Michigan Savings & Loan Association by suit and otherwise and of defending numerous claims against the fund, has been vigorously prosecuted and as economically as the scattered condition of the assets and the number of the claims and suits which have been prosecuted and defended would permit, and that there has been to the knowledge of this respondent no neglect of duty in said work of prosecuting said claims and defending the same on the part of the receivers ~~of~~ their counsel.

HENRY H. SWAN,

(U. S. Seal Court) United States District Judge, Eastern District of Michigan.

Detroit, March 15, 1910.

EXHIBIT A.

THE CIRCUIT COURT OF THE UNITED STATES FOR THE EAST-
ERN DISTRICT OF MICHIGAN, IN EQUITY.

EDWARD W. BISHOP,

Complainant,

vs.

MICHIGAN SAVINGS & LOAN ASSO-
CIATION and GEORGE LORD,

Defendants.

To the Judges of said Court:

Your petitioners, Matthew B. Whittlesey and Ralph L. Aldrich, receivers of the Michigan Savings & Loan Association as such receivers, respectfully show:

1. That upon a bill filed by the complainant herein, praying, among other things, for the appointment of a receiver and the distribution of the assets of the Michigan Savings & Loan Association among its stockholders, and upon the consent of the said defendants, that said Ralph L. Aldrich was appointed receiver on the 11th day of April, 1901, and said Matthew B. Whittlesey was appointed receiver on the 23rd day of October, 1906. The orders appointing them receivers are referred to for certainty in their terms; that under the order appointing said Matthew B. Whittlesey co-receiver he has been, since on or about its date, and is now, in the possession of the assets of said corporation; that said assets consist of moneys and property, and among other things, the choses in action specified and described in the suit of Ralph L. Aldrich, receiver vs. John E. Clark and others, directors and stockholders of the Michigan Savings & Loan Association being an ancillary suit on the bill of complaint filed in this cause and now pending in this court, which suit is hereinafter more particularly referred to. The said Ralph L. Aldrich duly qualified as such receiver under the order of his appointment and entered upon his duties as such. On his application made to the Circuit Court of the United States for the Northern District of Texas and to

the Circuit Court of the United States for the Eastern District of Texas he was also appointed receiver, duly qualified and acted as such; that his receivership in said courts in Texas is closed; that the property of said association which came to his hands consisted in a large part of mortgages on properties in various states of the United States; that in order to realize upon such securities some of them were foreclosed, others adjusted by agreement with the mortgagors and the property conveyed to said Aldrich, receiver, which properties have been sold and disposed of by him or by his said co-receiver under the orders of the said courts in Texas and this court. So that the administration of the whole estate is nearly closed and there remains the said suit of Aldrich, receiver, vs. Clark and others pending in this court, and a few small properties and mortgage interests of the value of about \$3,000.00, and sixty-three thousand nine hundred forty-three and forty-two one-hundredths dollars (\$63,943.42) in money now in the possession of Matthew B. Whittlesey, receiver.

2. Many intervening petitions have been filed in the said cause in this court, some of which have prayed for the establishment of claim against the fund and have been allowed, and others disallowed. Among others who have filed intervening petitions in the cause is one James E. Howard, hereinafter referred to. He filed his intervening petition on or about the 17th day of March, 1902, in which he claimed that he held a draft of the said Michigan Savings & Loan Association in the sum of \$549.03, which had been given him for certificate No. 7753, which he had surrendered. On an answer filed to said petition and a hearing had the said petition was dismissed.

Among other intervening petitions was one filed by the Standard Savings & Loan Association, a building and loan association under the laws of Michigan, which association filed its petition for the establishment of its claim. Thereupon by consent of Receiver Aldrich, through his counsel, Mr. John D. Conely, the amount of said claim was established by an order entered by said court at the sum of upwards of forty-four thousand dollars (\$44,000.00) and interest. Afterwards upon the appointment of De Forest Paine as solicitor for the receiver, Aldrich, a petition was filed to vacate the said order establishing the said claim and for leave to defend against it, which leave was granted and upon proofs taken the claim was defeated and the petition dismissed. Upon an appeal taken to the Circuit Court of Appeals of the sixth circuit the judgment of this court in that matter was affirmed.

Among other intervening claims which have been disallowed are those of Frank O. Waldo, William E. Bradley, Henry A. Harmon, trustee, and Rodney G. Hart, of Lapeer, Michigan, amounting in all to the sum of several thousand dollars. All intervening petitions for claims against said estate are disposed of and all claims paid except administration expenses and except the claim of the Rochester Savings & Loan Association on a bond, which claim amounts to the sum of about two thousand dollars.

3. In the course of administering the said estate this court made an order on or about the 23rd day of April, 1902, to the effect that all persons who claimed that the association was indebted to them, or that were interested in the distribution of its assets as creditors or stockholders, should make proof of their claims before Walter S. Harsha, special master, and that notice be given by publishing the same in the Detroit Free Press. Said order was so published in accordance with its terms and under it all persons interested as stockholders have come into court, made affidavit of the stock held by them and of the amount due thereon, and upon such affidavits the master has reported the claims to this court under date of June 24th, 1905. Said claims aggregate several hundred in number and about \$460,000.00 in amount, and the receivers believe that all stockholders have proved their claims in said cause under that order or otherwise.

Among other stockholders who so proved their claims under said order and notice thereon, was the said James E. Howard, who filed said intervening petition. By an affidavit made on or about the 2nd day of October, 1902, he proved his claim upon 20 shares of dollar stock, being certificate No. 6984, and upon certificate No. 7753, and that the amount due thereon on both said certificates was \$1,250.00, and that sum is reported by the master on said claim in his said report.

One Theodore Young also filed an affidavit in the cause claiming that he held the following certificates of dividend stock, certificates 568, 691, 845, 846, 847, 993, 1034, upon which he claimed there was due the sum of \$2,900.00; his affidavit was made on or about the 8th day of July, 1902.

One Charles M. Cone also made an affidavit in the cause claiming that he held certificate 7816 upon which he claimed to be due the sum of \$260.00; said affidavit is dated on or about the 28th day of May, 1902.

One William C. Koehn also made an affidavit dated on or about the 28th day of May, 1902, and filed the same in said cause claiming to own certificate No. 8062, of one dollar stock upon which there was due \$215.00.

One John Taylor also made an affidavit dated June 2nd, 1902, under said order, and filed it in the cause upon which he claimed under certificate No. 993, of fifty cent stock that there was due thereon the sum of \$660.00.

4. On or about the 30th day of June, 1903, on a petition filed in this cause by the said Aldrich, receiver, he was authorized to begin a suit in this court against certain parties named, and upon said authority filed his ancillary bill in this cause, which is file No. 3811, against certain persons who at different times had been and then were directors of the Michigan Savings & Loan Association and other stockholders in said association, claiming to recover from them, the said directors for negligently managing said corporation whereby it suffered large losses, bill and many of said defendants served, some of whom and otherwise. Process of subpoena was issued upon said bill and many of said defendants served, some of whom made default, others demurred to the bill, others answered the bill. Proceedings were had in the cause from time to time and it was finally brought to an issue and testimony has been taken therein for the past year or more on the part of the complainant in said cause, and such progress has been made in it that the complainant's proofs are nearly if not quite finished. The defendants in said cause have taken no testimony therein except it be one or two depositions of a few words. The number of defendants in said cause is great, being some five or six hundred.

Among other defendants who demurred to said bill was Robert T. Gray, administrator of the estate of George H. Scripps, deceased. His demurrer coming on to be heard was sustained by this court, and on appeal to the Circuit Court of Appeals for the sixth circuit, the decision on the said demurrer was reversed and the cause sent back with leave to answer, and availing himself of such leave one of the executors of said George H. Scripps, deceased, the will having been established in the meantime and the said Robert T. Gray succeeded by the said executors, came into court and answered the said bill.

The proofs in the cause show that the said George H. Scripps was illegally paid on his withdrawal from said association, the sum of 17,500.00 of principal and \$1,058.00 of interest, which payments were made to him in the year of 1898 and other years.

5. Negotiations were opened with the receiver, Matthew B. Whittlesey, and his counsel, De Forest Paine, for a settlement of the claim in said bill against the estate of said George H. Scripps, which negotiations have been

pending for six months or more, and which finally, in the latter part of December or early in January of this year, resulted in an oral offer being made by Mr. J. W. Curts, of Cincinnati, Ohio, one of the solicitors for the executor of the said George H. Scripps, who appeared and answered said bill, to pay the receivers the sum of fifteen thousand three hundred (\$15,300.00) dollars in compromise of the claim.

The said offer was under consideration when the said Curts called upon the said Receiver Matthew B. Whitteley, and his said counsel, and orally withdrew the said offer and gave as a reason for so doing that this court would lose its jurisdiction by reason of certain proceedings recently taken in the Circuit Court for the County of Wayne.

6. Your petitioners further show that on or about the 18th day of January, 1909, the said James E. Howard, Theodore Young, John Taylor, William C. Koehn and Charles M. Cone filed their petition in the Circuit Court for the County of Wayne, averring among other things that this Court is without jurisdiction in the premises; that its receivers are wasting the funds belonging to the association and now in their possession; that the bill was filed in this cause and the receiver appointed by reason of a conspiracy between the said Receiver Aldrich and his attorney, De Forest Paine, to get control of the corporation and wreck it, and further averring that the said Edward W. Bishop was not a good faith stockholder, but became such for the express purpose of filing the bill in this cause; and praying that the corporation be dissolved and a receiver appointed to take such proceedings in this court as may be necessary to obtain the property, assets and obligations of the Michigan Savigs & Loan Association, and to recover from the person or persons for the losses in the assets and for such other proceedings as may be deemed necessary to protect the interest of the stockholders of the said corporation, marshal the assets of said corporation and pay the debts, if any, and distribute the balance, if any, under the order of said court.

A copy of said petition with a copy of the order of the court for a hearing thereon so filed in said Wayne Circuit Court is hereto annexed, made a part hereof and marked Exhibit A.

7. It was the said last named petition to which the said J. W. Curts referred as the reason for withdrawing his said offer of settlement and compromise of the claim against the said George H. Scripps estate.

8. Your petitioners show that through their counsel De Forest Paine, they appeared specially in the Wayne Circuit Court on the day mentioned in the order, to-wit, the 20th day of January, 1909, and afterwards on the 21st day of January, 1909, and not submitting to but denying the jurisdiction of the court, asked for time to decide upon what course to pursue, when, without any conditions, the circuit judge set the matter down for a hearing on the 27th day of January, 1909. There were present in the Circuit Court on said 20th day of January on the coming on of the said petition for a hearing, and who appeared as counsel for the said petitioners, Mr. George William Moore, of the firm of Moore & Moore, Mr. Paul B. Moody, associated with Messrs. Corliss, Leete & Joslyn, and in the court room was the said J. W. Curts, and in the course of the proceeding the statement was made by the said George W. Moore that one of the firm of Stevenson, Carpenter & Butzel, then present, was associated with him for the petitioners in said petition. The said George William Moore and Paul B. Moody pressed the said petition for a hearing.

Your petitioners further aver that the name of Clark E. Baldwin appears subscribed with that of the firm of Moore & Moore, as solicitors for the said petitioners, who filed said petition in the said Wayne Circuit Court; that his residence, as they are informed and believe, is Adrian, Michigan; that they aver that Frank N. Renaud and William M. Mertz have aided and abetted the said petitioners James E. Howard and others who filed said petition in said Wayne Circuit Court, by endorsing their approval of said proceeding in a certificate upon the petition. And your petitioners aver, said Aldrich on information, that the said Mertz applied prior to the filing of said last named petition to Receiver Whittlesey for a list of the shareholders who had proved their claims in this court, and they believe that that list was used by the said James E. Howard and others and their solicitors in preparing said petition and in taking the steps preliminary to verifying and filing the same. Your petitioners further aver that the said Clark E. Baldwin appeared at the examination of witnesses before the Master in the cause of Aldrich, Receiver vs. Clark, and others, and they are informed and believe that he was in conference with those who prepared and filed said petition. The firm of Watts, Smith & Baldwin of Adrian, Michigan, of which firm your petitioners are informed the said Clark E. Baldwin is a member, have appeared in said cause of Aldrich, Re-

ceiver, vs. Clark, and others, in this court and filed an answer in said cause for the defendants William E. Bradley, Joseph F. Simon, George W. Wagner, Richard A. Watts, H. Arthur Whitney.

9. Your petitioners aver that the said James E. Howard and others named as petitioners in the petition filed in said Wayne Circuit Court claim therein to be the only elected directors of the said Michigan Savings & Loan Association. The said Theodore Young claims to be president, and John Taylor, secretary and treasurer. And your petitioners aver that when the said corporation failed its directors were Fred B. Wemple, who was secretary, and Thomas F. Hancock, who was its vice-president. If there were other directors they were only nominally such in the closing days of the life of the corporation who became such at the request of the said Fred B. Wemple, who at that time and for a long time prior thereto had been left to manage the affairs of said corporation, and whose board of directors had from time to time resigned. But whoever the directors were at least none of the persons named in the said petition filed in the Wayne Circuit Court were such when the said association failed. At that time the association had no president, and your petitioners have no knowledge of any meeting of shareholders for the election of directors, and they are advised by some shareholders that they have received no notice of such meeting. No filling of vacancies could be lawfully made by directors who were such at the time the receiver was appointed because the by-laws of said association were then, and before that time upon the insolvency of the corporation, suspended.

10. Your petitioners further show that the proceedings in this cause and the testimony taken in this court in the various intervening petitions filed therein and in said ancillary suit of Aldrich, Receiver, vs. Clark, and others, show that at different times John E. Clark, Fred B. Wemple, Thomas F. Hancock, John B. Corliss, Butler Ives, defendants in said suit of Aldrich, Receiver, vs. Clark, and others, were directors of said corporation, and none thereof were such, except said Hancock and Wemple, when the receiver was appointed in April, 1901; that long prior to the appointment of the said receiver the said corporation was hopelessly insolvent and that it became such when it paid as matured when they were not matured, its first series of shares on or about December, 1895. The testimony further shows that as

early as the year 1896 the directors who then were such, to-wit, John E. Clark, O. W. Shipman, Fred B. Wemple, Butler Ives and John B. Corliss, were, except the said Wemple, each given \$2,000.00 in paid-up stock, and the said Fred B. Wemple given \$2,000.00 in money, and the entries in the books of the corporation show the transaction to have taken this character; Butler Ives, Trustee, was credited with the sum of \$10,400.00 on 200 shares of stock. The stock was matured on the same day by an earning of \$9,600.00. When the said Fred B. Wemple was requested to explain the entry he said it was made for the purpose of distributing \$8,000.00 of stock and the \$2,000.00 of money to the said directors as aforesaid, and he said that it was either a gift or for services.

Your petitioners further aver that it appears from the testimony taken in said cause of Aldrich, Receiver, against Clark and others that the defendant Fred B. Wemple caused to be conveyed to himself certain property of said Michigan Savings & Loan Association and mortgaged the same to secure his personal promissory note in the sum of \$15,000.00; that said mortgage was executed to Edgar O. Galloway; that upon inquiry of said Wemple what the consideration of the conveyance of the land of said association to him was, he said he could not say, and the deed itself expressed a consideration of ten dollars.

Your petitioners further show that the said testimony in said cause shows that the first and second series of shares were not matured by several dollars each assuming that the surplus shown by the said corporation on its books at the time the said shares were so paid as matured, to-wit, December 1, 1895, was its true surplus, and it further shows that from that time on the said corporation paid large sums of money upon alleged maturing shares and to withdrawing stockholders, and that it was constantly in debt for borrowed money for the purposes of making such payments; that it made no loans in any amount after the year 1896, but that it had then become and continued to be a money borrowing, not a money lending corporation.

The said Court of Appeals for the Sixth Circuit in the said suit of Aldrich, Receiver, vs. Gray, decided that the payments it so made were illegally made and that the shareholders were liable for the sums so paid.

11. It is for the recovery of these illegal sums so paid that the said suit was being prosecuted by the said

Receiver when the said petition was filed in the said Wayne Circuit Court, and it was concerning the collection of one of the debts, to-wit, that against said George H. Scripps, deceased, so incurred by him, that the said offer of compromise was made by the said J. W. Curts, which offer was withdrawn by him as aforesaid by reason of said petition in said Wayne Circuit Court.

It further appears in the said testimony so taken that the averments of the bill in the suit of Aldrich, Receiver, vs. Clark, and others, were abundantly proved, and reference is made to said bill for certainty as to said averments and to the pleadings in said cause, and all the proceedings herein, and they are, together with the bill, pleadings, testimony and proceedings in the said ancillary and main cause, referred to for certainty and made a part hereof.

12. Your petitioners further aver that it appears from the said testimony that the complainant Edward W. Bishop is now and was when the bill in this cause was filed, the holder of the certificate described in the bill of complaint; and from the books of the association (and there is nothing in the testimony to contradict them on the subject), that when the said bill was filed ten dollars (\$10.00) had been paid upon the said certificate. It further appears from the said testimony that before or at, or about the time the bill was filed by the said Edward W. Bishop he became, by assignment from the said Ralph L. Aldrich, the holder of another certificate of shares, to-wit, for three shares of the par value of \$100 each upon which sixty-five dollars per share had been paid. It is not clear from the testimony whether he became the holder of this certificate either before or after the bill was filed, but the said Receiver Aldrich avers that as he now recollects it, and verily believes he transferred the said certificate to the said Bishop before the said bill was filed.

It further appears in the cause that there were many stockholders in the said association when the bill was filed who were not residents of the State of Michigan but residents of other States, and the said Edward W. Bishop was appealed to, the said Receiver Aldrich avers, and the said Receiver Whittlesey on belief, because he was an old acquaintance of the said Aldrich, easily accessible and more readily reached than any other non-resident stockholder, and for that purpose was qualified by the issue of said certificate to him. And your petitioners aver that the said Edward W. Bishop was, as

he swears in his bill of complaint, the owner of the said certificate when he filed said bill, and they are advised by counsel, and thereupon aver, that the jurisdiction of this court so far as the interest of the said complainant Bishop is concerned is not to be judged by that interest alone but the whole object and purpose of the suit and the whole interest and claims of all the stockholders in that corporation are to be considered in deciding the amount in controversy and in determining the jurisdiction of the Court on the question of the amount involved. And they are further advised that if said Bishop was in fact the owner of said shares the purpose and object for which he acquired them, or his motive in acquiring them are wholly immaterial and that the jurisdiction of this court is not in any way affected by his motive, intent or object.

13. Your petitioners further aver, the said Receiver Whittlesey on information and belief, that it was decided at a conference of the Attorney General of the State of Michigan, George Lord, representing the Secretary of State for the State of Michigan, in the building and loan department, Fred B. Wemple, the secretary of said association; Thomas F. Hancock, vice-president, that said corporation was insolvent and that the best way to conserve its interests was to appoint a receiver to take charge of its mortgage properties, assets and property and to administer and distribute the proceeds of the shareholders. There was no active director of said corporation but said Wemple and said Hancock at that date. Immediately prior to that time the said George Lord, who is a defendant in this cause, had been in charge of said corporation for the said Secretary of State for Michigan and had satisfied himself of the condition of said corporation and of its utter and hopeless insolvency, and that the appointment of a receiver was for the best interests of all concerned. And your petitioners further aver, the said Receiver Whittlesey on information and belief, that De Forest Paine, their counsel, was not present at any consultation concerning or over the affairs of the said corporation at which it was decided to put it in the hands of a receiver, or at which the subject of its condition was discussed, and had no knowledge thereof or of when the said conference took place, and had no knowledge that a bill was to be filed or was filed, until after the filing of the same by said Bishop in this cause; that at that time he was not counsel for Ralph L. Aldrich in person or otherwise,

nor was he counsel of said Michigan Savings & Loan Association, nor had he been consulted by any officer of that association concerning its condition or the course to be pursued.

And they further aver, the said Whittlesey, on information and belief, that the first knowledge of the said counsel that said bill was to be filed or had been filed, was after it had been filed, and that such knowledge was brought to his attention by said Thomas F. Hancock or said Ralph L. Aldrich, or both. They further aver, the said Whittlesey on information and belief, that the answer of the said association to the said bill which is signed by said Thomas F. Hancock, vice-president, was subscribed by said counsel on the assurance of said Hancock that its averments were true, and in the absence of any other officer or director of said association who could act or was present to act or decide or confer with said counsel on the subject. Your petitioners further show that the order appointing the receiver in this cause was by the consent not only of the Michigan Savings & Loan Association on its said answer signed by said Hancock and its said counsel, De Forest Paine, but upon the consent of the Attorney General of the State of Michigan, and it appears by the order of this court that the said order was entered on the appearance of Mr. John D. Conely for the complainant, the said Attorney General, Mr. Horace M. Oren, for the defendant George Lord, and De Forest Paine for the said association.

Your petitioners further aver, the said Whittlesey, on information and belief, that there was no understanding or agreement between said Ralph L. Aldrich and said De Forest Paine, prior to the appointment of said Aldrich as receiver, that said Paine should be his counsel as receiver in said cause of said Aldrich was appointed as such; nor at any time; nor was the bill in this cause filed pursuant to any agreement between him and said Paine that the same should be filed or that said Paine should be his counsel. They further show that the records of this court show that said De Forest Paine became counsel for said receiver on or about the 2nd day of December, 1901, or nearly eight months after the appointment of the said Aldrich as receiver. Your petitioners further aver, the said Whittlesey on information and belief, that between the time of the appointment of said receiver Aldrich, to-wit, April 11th, 1901, and the time of his employment of said Paine, to-wit, December

2nd, 1901, the late John D. Conely, the complainant Bishop's solicitor, was the solicitor for the said receiver Ralph L. Aldrich; the records of this court show that he acted as such.

It appears further from the testimony of receiver Aldrich, taken in said ancillary suit against said directors and others that the said bill of complaint in this cause was filed after a statement of the facts of the qualifying of said Bishop as aforesaid to said counsel, who advised the filing of the bill and filed the same after such statement made. And your petitioners aver that the said John D. Conely was a practicing lawyer at the Detroit bar of long standing and known ability and integrity.

Your petitioners further show that they have good reason to believe that the said James E. Howard and others who filed said petition in said Wayne Circuit Court have no right or authority to file said petition. They further say that they have good reason to believe and do believe that the said petition filed in said Wayne Circuit Court is not filed in good faith by said petitioners to achieve the object apparent on the face of the petition, but is filed at the special instance and request, and that said James E. Howard and others assumed to be directors of said corporation at the special instance and request, of certain of the defendants to said cause in equity of Aldrich, Receiver, vs. Clark, and others, and have instituted the said proceeding in the said Wayne Circuit Court for the purpose of defeating a recovery in the said suit against them in this court and cause; that it is a mere pretense to claim the dissolution of this corporation by a decree of the said Wayne Circuit Court when the said petitioners to that court and all the stockholders of said association have come in and submitted to the jurisdiction of this court and assented that its assets be administered in this cause and the proceeds distributed, they have thereby and otherwise consented that the business and functions of said corporation should cease and its franchises be surrendered by and through the proceeding herein.

And your petitioners aver that on this record they, said James E. Howard, and others, cannot question the jurisdiction of this court, or if they may question it, its jurisdiction is ample to proceed to a final decree herein.

Your petitioners further show that it appears from the premises that the said petitioners in the Wayne Circuit Court are interfering with the orderly procedure of this cause and the ancillary causes in this court and the proceeding to a final decree, and that they are in-

terfering with the receivers in their possession and collection of the assets of said corporation, and particularly in the collection of the choses in action set forth in the said suit of Aldrich, Receiver, vs. Clark, and others.

Your petitioners further show that the said James E. Howard, Theodore Young, John Taylor, Charles M. Cone and William C. Koehn, in taking the steps aforesaid both in filing said petition and prosecuting the same and procuring themselves to be elected or appointed alleged directors of said association, and their said solicitors, George William Moore and Clark E. Baldwin, and said Frank N. Renaud and William M. Mertz, in their acts and doings aforesaid, are in contempt of this court.

Your petitioners therefore pray, That the said James E. Howard, Theodore Young, John Taylor, Charles M. Cone and William C. Koehn, may be required by an order of this court to show cause on a date to be named in said order why they, their solicitors, servants and agents should not be perpetually enjoined from applying to said Circuit Court for the County of Wayne, upon said petition for the appointment of a Receiver or for any order for relief thereon, and from taking any steps in or upon or on account of said petition and from prosecuting the same in said court that they and said George William Moore, Clark E. Baldwin, Frank N. Renaud and William M. Mertz may also be required by such order to show cause why they should not be punished for contempt on account of their acts and proceedings in the premises, and that pending the hearing on said order that they, their servants, solicitors and agents, may be restrained by an order of this court from applying to said Circuit Court for the County of Wayne on said adjourned day or on any other day for the appointment of a receiver or for any other order or relief upon said petition and from prosecuting the same in said court or taking any steps therein, upon or by virtue thereof; and further that the said James E. Howard, Theodore Young, John Taylor, Charles M. Cone and William E. Koehn, petitioners in said last named court, and said George William Moore, Clark E. Baldwin, Frank N. Renaud and William M. Mertz, may be perpetually restrained and enjoined from interfering with your petitioners, both or either of them, in the possession, management and control of the said property of said Association in their possession and in their effort

to reduce said choses in action to possession and to collect the same in said suit or otherwise and further restrain and enjoin them from taking any steps whatever at any time or in any court or place or in any manner or form that will interfere with this court in proceeding to a decree in said cause or in any of said ancillary or other proceedings. Your petitioners further pray that upon the hearing upon such order to show cause said restraining order may be made perpetual in regard to proceeding upon said petition in the Circuit Court for the County of Wayne and that for their contempt of this court they may be dealt with as justice may require and as to the court shall seem meet.

Your petitioners further pray for such further order or relief in the premises as the nature of the case may require and as may be agreeable to equity.

(Sgd.) RALPH L. ALDRICH,
MATTHEW B. WHITTLESEY,
Receivers, etc.

DE FOREST PAINE,
Solicitor and of Counsel for Petitioners.

STATE OF MICHIGAN, }
COUNTY OF WAYNE, } ss:
EASTERN DISTRICT, }

On this 23rd day of January, A. D., 1909, before me personally appeared Ralph L. Aldrich, to me known to be the same person who subscribed the foregoing and to me personally known, who being by me duly sworn, says that he subscribed the foregoing petition; that he has read the same or heard the same read and knows the contents thereof; that the same is true of his own knowledge except as to those matters therein stated to be upon information and belief and as to those matters he believes it to be true.

(Signed) CHARLES E. HILTON,
Notary Public, Wayne County, Mich.

My commission expires Dec. 12, 1911.

STATE OF MICHIGAN, }
COUNTY OF WAYNE, } ss:
EASTERN DISTRICT, }

On this 23rd day of January, A. D., 1909, before me personally appeared Matthew B. Whittlesey, to me known to be the same person who subscribed the foregoing peti-

tion and to me personally known, who being by me duly sworn says that he subscribed the foregoing petition that he has read the same or heard the same read and knows the contents thereof, and that the same is true of his own knowledge except as to the matters which are therein stated to be on information and belief and as to those matters he believes it to be true.

(Signed) CHARLES E. HILTON,

Notary Public, Wayne County, Mich.

My commission expires Dec. 12, 1911.

UNITED STATES OF AMERICA—THE CIRCUIT COURT
OF THE UNITED STATES FOR THE EASTERN DISTRICT OF
MICHIGAN, SOUTHERN DIVISION.

EDWARD W. BISHOP

vs.

MICHIGAN SAVINGS AND LOAN

ASSOCIATION and
GEORGE LORD.

In Equity, No. 3,723.

STATE OF MICHIGAN,
COUNTY OF WAYNE,
EASTERN DISTRICT OF MICHIGAN—SS:

De Forest Paine, being duly sworn, deposes and says that he resides in the City of Detroit, in said county, district and state; that he is a lawyer in active practice of his profession in said city, and has been for twenty-five years and upwards last past. That he has known Matthew B. Whittlesey and Ralph L. Aldrich; that he is the solicitor and counsel for them as receivers of the Michigan Savings & Loan Association; that he was retained as counsel for said Receiver Aldrich on or about the second day of December, A. D., 1901, and by said Matthew B. Whittlesey, receiver, upon his appointment on or about the 23rd day of October, A. D., 1906.

That prior to his retainer as counsel for said Receiver Aldrich and at or about the time the bill in said cause was filed, and as deponent remembers after the filing thereof, and a day or two before the appointment of said Aldrich, receiver, deponent was retained by the Michigan Savings & Loan Association as counsel for it in said cause

and acted for it insofar as its interests therein required attention until his retainer by the said Aldrich as counsel for him as Receiver as aforesaid; that thereafter, as deponent now remembers, all litigation which has been with the exception of the bill of Aldrich against Clark et al., described in the foregoing bill of complaint, mostly by way of defending against claims made against the fund, has been conducted by deponent for and in behalf of the said Receiver; that deponent was retained for said Association by Thomas F. Hancock, vice-president, who came to deponent in his law office and assured deponent that the answer to the bill of complaint in this cause contained a true statement of facts; deponent saw no other officer, agent or official of said corporation, and believes that there was none present in Detroit at that time; deponent is informed and believes that at that time the defendant, George Lord, was in possession of the office, property and affairs of said association in the City of Detroit, Michigan, for the purpose of examining its condition; and deponent believes from his knowledge of the affairs and history of said association that the directors had left its management practically to Fred B. Wemple, secretary, for some time prior to the appointment of said Ralph L. Aldrich as Receiver, and that they had long ceased to give any active attention to the affairs of said association; that at the time he signed that answer as solicitor for said association he was not nor had he been retained as attorney, solicitor or counsel by said Ralph L. Aldrich for him personally or in any capacity, nor was he prior to his retainer by said Hancock, the attorney, solicitor or counsel of said Michigan Savings & Loan Association, or any of its officers, and had no connection therewith or relation thereto; that he had no knowledge of the several conferences and consultations which preceded the filing of the bill of complaint in this cause, as related in the petition in this matter and hereto attached. He was not present at any thereof, took no part therein; was not consulted, nor was it upon his advice in any way, shape or form, direct or indirect, that the bill in this cause was filed or the said Aldrich appointed Receiver thereon; that he had no understanding or agreement with the said Aldrich that he, the said Aldrich, should be appointed Receiver and that deponent should be his counsel. Deponent further says that from the time of the appointment of said Aldrich as Receiver, to-wit: the 11th day of April, 1901, up until on or about the second day of December, the late John

D. Conely was not only solicitor for the complainant in said cause, but also the counsel for said Receiver Aldrich therein; that deponent had more than one consultation with the said John D. Conely as such counsel and knows the fact personally as to his acting for said Receiver, and the records of this court shows the fact as well. Deponent further says that from his knowledge of this cause and the proceedings therein the said corporation was hopelessly insolvent at the time the said Receiver Aldrich was appointed Receiver, and had been insolvent from the first day of January, 1896. Deponent further says that soon after the decision of the Court of Appeals in the case of Aldrich vs. Gray, administrator described in said petition, he went to the law office of Harper & Curts, in Cincinnati, Ohio, and there met the attorneys for one of the executors of the estate of George H. Scripps, the executor who has filed an answer in the said ancillary suit of Aldrich, Receiver, against Clark and others; that said solicitors then told deponent that when he had finished proving his case against the defendants in said suit, and particularly when he had proved his case, ~~against the estate of George H. Scripps~~ they wished to take up the subject of a compromise in consideration of their making no further contest in the cause. Later J. W. Curts, of said firm of Harper & Curts, told deponent that they, the said solicitors, would wait to see what light they might get from the opinion of the Court of Appeals in the case of the Standard Saving & Loan Association against Aldrich, Receiver, pending in the said Court of Appeals on the appeal by the said Standard Savings & Loan Association from a decree of said Circuit Court of the United States for the Eastern District of Michigan, dismissing the intervening petition of the said Standard Savings & Loan Association. Deponent further says that afterwards the said J. W. Curts appeared while the taking of testimony was proceeding in this court, and cross-examined the witness produced by said Ralph L. Aldrich, Receiver, to prove his case in said cause; that afterwards the said J. W. Curts made to Matthew B. Whittlesey and to deponent in the office of the master of said court an offer of compromise of said claim and of the liability of said estate, and that said estate, or the executor whom he represented, would pay to the Receivers for a release of all liability the sum of fifteen thousand three hundred dollars (\$15,300) and release all right to an accounting in said cause and to any interest in the fund then in the Receiver's hands, or that he might recover in said

suit of Aldrich, Receiver, vs. Clark et al.; that the said offer was taken under advisement and was being so held and considered when James E. Howard and others named in the petition hereto attached filed their petition in the Circuit Court for the County of Wayne; that after the filing of said petition the said J. W. Curts came to this deponent and stated in the presence of Matthew B. Whittlesey, said Receiver, that he would withdraw his offer of settlement and compromise in said suit; he further stated that the offer had been made in good faith, but that since the filing of said petition in the Circuit Court for the County of Wayne it could not be carried out. He further stated that Gentlemen Stevenson, Carpenter & Butzel, who represented his co-executor, had always opposed the settlement by him of the claim, but since the filing of said petition in the Circuit Court for the County of Wayne were more emphatically opposed to any such settlement, and that he had concluded to withdraw the offer and await the outcome of that proceeding; deponent further says that on the calling up of said petition in the Circuit Court for the County of Wayne on the 20th day of January, 1909, when deponent appeared specially and moved for a postponement of the hearing, the said J. W. Curts was present in court. On that hearing George William Moore, one of the attorneys for the petitioners in that court, in said petition stated to the court that Judge William L. Carpenter, of the firm of Stevenson, Carpenter & Butzel, was associated with him as counsel for the petitioners in said petition.

Deponent further says that the first knowledge he had that the petitioners named in the petition for the Circuit Court for the County of Wayne claimed to be directors of the Michigan Savings & Loan Association was derived from reading their said petition filed in said Wayne Circuit Court and on the 18th day of January, 1909; that he does not know any one of them, and so far as his knowledge goes, has not spoken to one of them; that no one of them has ever come to him for information concerning the proceedings in this cause. Deponent further says that he has no knowledge of any meeting of stockholders called to elect directors, and he has been informed by one of the stockholders that he received no notice of any such meeting, and is informed by said Receiver Aldrich that another stockholder says she had no notice of such meeting.

Deponent further says that the taking of testimony on the part of the complainant in said cause of Aldrich,

Receiver, vs. Clark et al., is nearly if not quite finished; that the defendants therein have taken no testimony therein in their behalf nor have any thereof except one or two small depositions; that the time limited for the complainant to take his testimony therein expires on the first day of March, 1909, after which time the said defendants have until April 1st to put in their proofs and the complainant has until May 1st following to put in his proof in rebuttal. That the proof has been taken on the part of the complainant at considerable expense and that a few dollars only in addition will be necessary in order to close it; that many defendants in said cause have made default and proofs have been introduced establishing their liability, which liability amounts to many thousands of dollars; the total of which may be found in the testimony of Matthew B. Whittlesey, Receiver in the cause; that in the opinion of this deponent the liability of the directors defendants in said suit, for negligently managing the said association and causing it large losses, has been clearly shown in said cause, and that they are liable on the proofs therein in large sums of money; that it appears in said cause that after said corporation became insolvent large sums of money were paid to alleged maturing shareholders and to withdrawing shareholders for which sums of money, in the opinion of this deponent, said directors are liable. That from the time of the filing of said bill of complaint in said ancillary proceeding last named in the year 1903 up to Jan. 18, 1909, no defendant therein or in this cause has raised the question of the jurisdiction of this court in this cause, and such question was not raised until the complainants' proofs in said ancillary cause were about closed as aforesaid. Deponent further says in reply to the averments in said petition of wasteful management of the funds by the receivers and counsel, that had it not been for deponent's efforts and counsel there would have been no funds in the hands of the receiver at the present time; that deponent has defended claims against the fund which amount to more than the sum of money and property now in the possession of said Receiver Whittlesey; that the services of deponent in respect to the defeat of the claim of the Standard Savings & Loan Association alone saved nearly the total amount of money now in the receiver's hands; deponent further says that the said Fred B. Wemple counseled with Mr. George William Moore in respect to the testimony of said Wemple given in said ancillary cause; that said George William Moore is one of the firm of Moore

& Moore, attorneys for the said James E. Howard and others; that deponent caused said Fred B. Wemple to be subpoenaed as a witness for the complainant in said cause of Aldrich Receiver vs. Clark and others, and put him on the witness stand and examined him as a witness, and it was in respect to that that he counseled with the said George William Moore.

(Sgd) DE FOREST PAINE.

Subscribed and sworn to before me this 23d day of January, A. D. 1909.

(Sgd) CHARLES E. HILTON,
Notary Public, Wayne County, Mich.

My commission expires Dec. 12, 1911.

EXHIBIT A.

STATE OF MICHIGAN.

At a session of the Circuit Court for the County of Wayne, in Chancery, held at the Circuit Court Room in the City of Detroit, on January 18th, 1909.

Present: Hon. Alfred J. Murphy, Circuit Judge.

IN THE MATTER of the petition of THEODORE YOUNG
ET AL, Directors of the MICHIGAN SAVINGS & LOAN
ASSOCIATION, for a dissolution of said Association.

On reading and filing the petition in this cause, and on motion of counsel for the petitioners, it is ordered that the hearing of said petition be and the same is hereby fixed for Wednesday, January 20th, 1909, at the opening of Court on that day, and that notice of said motion be given Matthew B. Whittlesey, Receiver, appointed in the United States Court.

ALFRED J. MURPHY,
Circuit Judge.

STATE OF MICHIGAN—IN THE CIRCUIT COURT FOR
THE COUNTY OF WAYNE, IN CHANCERY.

To the Honorable Judges of said Court:

The petition of Theodore Young, John Taylor and James E. Howard, of Detroit, Michigan, and William C. Koehn and Charles Cone, of Adrian, Michigan, respectfully shows:

1st. That they are all the directors of the Michigan Savings & Loan Association, a corporation, organized under the laws of the State of Michigan, duly elected, of which your petitioner, Theodore Young, is president, and John Taylor secretary and treasurer; that they deem it beneficial to the stockholders that said corporation shall be dissolved, and present this petition for a decree dissolving said corporation pursuant to Chapter 300 of the Compiled Laws of Michigan, 1897, and as reasons why they desire such dissolution state as follows:

2nd. That said corporation, Michigan Savings & Loan Association, was organized under the laws of the State of Michigan, under the provisions of Chapter 206 of the Compiled Laws of Michigan, 1897; that said Association conducted the usual business of a building and loan association for many years prior to April 11th, 1901.

3rd. That on or about March 30, 1901, one Edward W. Bishop, a resident of Muncie, in the State of Indiana, claiming to be a stockholder of said Association, filed a bill in the Circuit Court of the United States for the Eastern District of Michigan, Southern Division, in Equity against said Association and one George Lord, praying for a Receiver and a winding up of the affairs of said corporation; that on April 11th, 1901, an answer was filed in the name of said Association, signed by its vice-president, substantially admitting the allegations of the bill of complaint; that the George Lord named as defendant in said action was the representative of the Secretary of State of the State of Michigan in charge of the assets of said Association, under the provisions of the statutes of this State, and said George Lord likewise filed an answer substantially admitting the allegations of said bill of complaint; that thereupon, on April 11, 1901, one Ralph L. Aldrich was appointed by said Circuit Court for the United States Receiver of said association, and the assets of said association then in charge of said

George Lord were turned over to him, and that said Ralph L. Aldrich and his successor in office have continued in possession of the assets of said association since said date.

4th. Your petitioners are lately informed, and charge the fact to be, that said Edward W. Bishop, upon whose bill of complaint and petition said proceedings in said court were originally instituted, was neither then nor at any time a lawful stockholder of said corporation; that he never invested a dollar in the stock of said corporation; but consented to file said petition and bill of complaint upon the personal solicitations of Ralph L. Aldrich, who caused to be issued to said Edward W. Bishop certificate No. 8605 for 20 shares of the installment stock in series 134, bearing date January 1, 1901, said shares purporting to be of the value of one hundred dollars each; that said certificate was obtained by said Ralph L. Aldrich from the then officers of said association, Thomas F. Hancock, vice-president, and F. B. Wemple, secretary, without any payment whatever therefor; that the same was not delivered to said Bishop by said Aldrich until about the time of the execution of said bill of complaint on the 27th day of March, 1901; that no payments were ever made to said association on account of said stock issued to said Bishop prior to the execution of said bill of complaint, but, as appears from the books of said association, on page 219 of the cash book thereof, on April 1, 1901, there was paid \$10.00 on account of said stock, \$1.00 for expense and \$9.00 credit on stock; that said payment if ever made was not made by said Bishop; that it appears from the first inventory filed by said Aldrich that said certificate was held by said Bishop and only \$9.00 paid thereon; that said Bishop did not have any knowledge of the facts set forth in said petition and bill of complaint signed by him, except such information as was given to him by said Ralph L. Aldrich; that he did not know and had no relations whatever with counsel who appeared as solicitor for said complainant in said cause; that he never engaged or paid counsel for service rendered by him in behalf of complainant in said cause, but that the same if paid was paid by said Ralph L. Aldrich for the purpose of securing his own appointment as Receiver of said association.

5th. Your petitioners further represent on information and belief that said Ralph L. Aldrich was at the time of filing the bill of complaint by said Edward W. Bishop, and had been for some time prior thereto, acting

as attorney and counselor for the Michigan Savings & Loan Association, as appears by the accounts upon the books of said association, and for some time prior thereto had received compensation for such service, and that one of the officers at that time, Thomas F. Hancock, vice-president, who signed the answer filed in said cause in behalf of the corporation, did so upon the advice and instruction of said Ralph L. Aldrich and his counsel De Forest Paine; that the answer in behalf of said Michigan Savings & Loan Association filed in said cause was prepared by said Aldrich, or by his counsel De Forest Paine, who appeared as solicitor and of counsel for the association; that said proceedings were not authorized by the board of directors; that said Thomas F. Hancock, vice-president, had no authority to execute said answer but did so at the direction of said De Forest Paine and said Aldrich and without knowing the effect thereof; that said proceedings were taken by said Aldrich and Paine without convening the board of directors of said association or consulting the interest of the stockholders of said corporation.

6th. Your petitioners further show on information and belief that, at the time the proceedings were taken in the United States Court, above mentioned, the Secretary of State had sent Mr. George Lord representing the State to examine said Michigan Savings & Loan Association, and in accordance with the statutes in such case made and provided, he had taken charge of the assets and affairs of said corporation; that, as appears by the answer of said Lord filed in said cause, the affairs of said association were found in bad condition, and consent to the appointment of a receiver in said cause was filed by said Lord, it appearing from his admission that he deemed the corporation insolvent. Your petitioners are advised that it was the duty of the Secretary of State at that time, and of his representative George Lord, after having taken charge of the assets and affairs of said corporation, under the then existing circumstances, in accordance with the laws of this state, to convene a special meeting of the shareholders for the purpose of considering and acting upon the examiner's report of the affairs and condition of said association as found by him from his examination thereof, and that such shareholders might resolve to go into liquidation, and for that purpose elect from among their own number a conservator charged with the proper distribution of the assets of said association, the discharge of all liabilities and the final closing up of the affairs of said association; but, instead of performing the

duties so prescribed by statute, said George Lord filed his answer as above set forth and abandoned the assets of said corporation to said Aldrich.

7th. Your petitioners charge that said suit in the Circuit Court of the United States for the Eastern District of Michigan was not a bona fide proceeding by a non-resident stockholder of said corporation but was the result of a conspiracy on the part of Ralph L. Aldrich and others to wreck said association and to make himself Receiver thereof, and your petitioners charge that said suit was a fraud upon the said United States Circuit Court, and upon all the stockholders of said association; but your petitioners are advised the said United States Circuit Court acquired by virtue of said suit no jurisdiction over the affairs of said association, and further that no court of equity would have jurisdiction thereof, except in accordance with the provisions of the statutes of this State, and that the said United States Circuit Court for the Eastern District of Michigan will upon application and a showing of the facts herein set forth dismiss said suit and cause the assets of said association to be turned over to the proper officers or representatives thereof; and your petitioners believe that, in order that the interests of all the stockholders shall be protected, a receiver should be immediately appointed in this court to make such application and to receive such assets from said United States Court.

8th. Your petitioners are informed that the assets of said association, at the time of said appointment of Receiver, and as shown by the inventory filed in said cause by said Receiver, embraced:

Mortgages aggregating	\$175,150.75
Real Estate valued at.....	141,296.53
Lien Notes	3,951.00
Cash on hand.....	872.20
Total	\$321,270.48
That the liabilities as shown by said report were:	
Bills payable	\$ 5,000.00
Outstanding stock issued by said corporation aggregating	\$529,298.06
	<hr/>
	\$534,298.06

9th. Your petitioners are informed, and charge the fact to be, that the affairs of said Association continued in charge of said Ralph L. Aldrich, Receiver, from the

date of said appointment, April 11, 1901, to 1906, when an investigation of the receivership of said Aldrich was had, from which it appeared that said Aldrich had been derelict in duty and was guilty of mismanagement of said receivership; that as a result of said investigation said Aldrich was relieved from further charge of the affairs of said Association by the appointment of Matthew B. Whittlesey as his successor, who now has charge of the affairs of said Association under the appointment of said Court in the cause above mentioned.

10th. Your petitioners further represent on information and belief that said Receivers from time to time during the eight years have received from the estate of said Association upwards of One Hundred and Seventy-five Thousand Dollars, that the disbursements for actual debts of said Association, existing at the time of appointment of said Receiver, determined and paid on the order of said Court, have not exceeded the sum of \$20,000.00; that said Receiver, Matthew B. Whittlesey, claims to have on hand only the sum of \$63,943.42 in cash; that all other assets of said Association have been disposed of with the exception of a few remnants of the value of \$3,000; and that the debts are practically paid.

11th. Your petitioners show upon information and belief that there has been an enormous shrinkage in the assets of said corporation while in the hands of said Receivers owing to the mismanagement of said Receivers, and particularly the mismanagement of said Receiver, Ralph L. Aldrich, and further that large sums of money have been expended by said Receivers in useless, wasteful litigation, and your petitioners at the request of a large number of stockholders of said Association have consented to act as directors and officers of said Association and consider it essential to make this application for the purpose of dissolving said corporation, preventing further waste, and causing to be distributed the lawful funds of said Association pro rata to the persons entitled thereto.

12th. Your petitioners further show on information and belief that the said Ralph L. Aldrich caused to be issued to him Certificate No. 20,022 of the full paid dividend stock for three shares, aggregating \$300.00 on January 1, 1901, but that the books of the corporation do not show, so far as your petitioners have been able to discover, whether said Aldrich paid for said certificate of stock or not; that as an inducement and consideration for said Edward W. Bishop to act in behalf of said Aldrich in filing the petition and bill of complaint in the

United States Court, said Aldrich, on or about the date of the execution of said bill of complaint by said Bishop, to-wit, March 27, 1901, transferred said certificate for three shares by endorsing an assignment upon the back thereof, and delivering the same to the said Bishop, and, as your petitioners are informed he paid no consideration whatever therefor, but executed the papers and received stock at the request of said Aldrich and for the purpose of enabling said Aldrich to obtain the receivership of said Association.

13th. Your petitioners further show that it appears from the proceedings in said cause that, immediately upon the appointment of said Ralph L. Aldrich, receiver, he engaged the counsel associated with him De Forest Paine, as counsel for the Receiver, to whom as such Receiver he has paid large sums of money, and your petitioners on information and belief respectfully charge that the proceedings taken by said Aldrich and said Paine were for the express purpose of getting into their hands the assets of said corporation, and notwithstanding the efforts made in 1906 to compel an accounting by said Receiver, defended by said Paine, it has been impossible for the stockholders of said Association to obtain definite information with reference to the administration of the affairs of said Association in said Receiver's hands; that your petitioners are informed that a large sum of money, to-wit, upwards of one hundred thousand dollars (\$100,000) has been expended by said Receivers and their counsel in a large number of litigated matters, and your petitioners justly believe that, unless proceedings are taken in this cause, the funds in the hands of the Receiver at the present time will be ultimately wasted and absorbed by useless and wasteful litigation.

14th. Your petitioners further show on information that it is a well settled principle of law that, in the absence of a statute enlarging its powers, a court of equity has no jurisdiction at a suit of a shareholder to dissolve the corporation, nor has a stockholder any standing to apply for a Receiver to control the corporation or wrest from it its corporate property on the ground that the business of the corporation is managed unwisely or unjustly; that this principle of law is so well established that said counsel, De Forest Paine, and said Receiver, Aldrich, who is himself a lawyer, cannot justly set up ignorance as an excuse for the waste of funds of said Association by the proceedings above mentioned, or the illegality of the proceedings in said cause.

15th. Your petitioners further show that a large number, to-wit, upwards of one-half of all the stockholders of said Association, have requested your petitioners to act in this matter for the purpose of dissolving said corporation; that your petitioners deem it necessary that this Court shall take jurisdiction pursuant to the law in this State, appoint a Receiver to take possession of the money and such corporate assets as remain in the hands of said Receiver, Whittlesey, and, under the order of the Court, distribute them among the stockholders.

16th. Your petitioners further show on information and belief that practically all the property of said corporation has been converted into cash; that there is on hand held by said Whittlesey, Receiver, the sum of \$63,943.42, together with the books of said corporation, a list of which property, assets, cash and books, so far as your petitioners have been able to ascertain, is hereto attached, marked Exhibit A, and made a part hereof.

17th. Your petitioners further aver that they have obtained, so far as they have been able to, a correct list of all the stockholders of said corporation, giving the name, addresses, number of shares of stock belonging to each, amount paid in, and the amount due, which list is hereto attached, marked Exhibit B, and made a part hereof.

18th. Your petitioners further show on information and belief that there are no incumbrances upon the property of the said corporation, and your petitioners are informed that the debts of said corporation are paid with the exception of one claim, to-wit, the Rochester Savings & Loan Association, amounting to about \$2,000 in litigation, which as your petitioners are informed is the only creditor of said corporation.

19th. Your petitioners submit herewith the written request of attorneys representing a large number of stockholders desiring this proceedings taken for the protection of their clients whom they represent by authority in writing.

20th. Your petitioners further represent on information and belief that to adequately protect the stockholders of said Association it is necessary for the appointment of a Receiver by this Court with authority to make application to the Honorable Judge of said United States Court for the transfer of the funds belonging to said Association to the Receiver appointed by this Court; that said Receiver should also have authority to compel said Aldrich, Whittlesey and Paine, their agents and associ-

ates, to account for the enormous and extravagant waste of the assets of said corporation and to make a true account thereof to this Court and to contest their charges in view of the relations and manifestly illegal conspiracy perpetrated by securing said Bishop to act as aforesaid.

WHEREFORE YOUR PETITIONERS PRAY:

(a) That an order may be entered herein requiring all persons interested in said corporation to show cause, if any they have, why such corporation should not be dissolved, before some master in chancery, to be named in such order, at some time and place to be therein specified, not less than three months from the date thereof, and that such order be published once in each week for three weeks successively in such paper as the Court may direct, and in a newspaper published in the County of Wayne, that being the principal place of conducting the business of said corporation.

(b) That such further proceedings may be taken herein as are in accordance with the provisions of Chapter 300, Compiled Laws of 1897.

(c) That an order may be immediately entered herein appointing some responsible person Receiver for said Association, with authority to apply to the Circuit Court of the United States for the Eastern District of Michigan, In Equity, and take such proceedings in said Court as may be necessary to obtain the property, assets and effects of the Michigan Savings & Loan Association, and to recover from any person or persons any funds of said Association misappropriated or unlawfully acquired by them, and to seek to recover from the person or persons responsible therefor for the losses to the assets of said Association caused by the unlawful conspiracy hereinbefore set forth and the proceedings had pursuant thereto.

(d) That such other and further proceedings may be taken in this cause as may be in accordance with the law or as may be deemed necessary by the Court to protect the interests of the stockholders of said corporation, marshal the assets thereof, pay the debts, if any, and distribute the proceeds under the order of this Court.

And your petitioners will ever pray.

(Sgd.) Theodore Young,
John Taylor,
James E. Howard,
William C. Koehn,
Charles M. Cone.

(Sgd.) MOORE & MOORE,
CLARK E. BALDWIN,
Solicitors for Petitioners.

STATE OF MICHIGAN,
COUNTY OF WAYNE—SS:

On this 18th day of January, 1909, before me, a Notary Public in and for said county, personally appeared Theodore Young, John Taylor, William C. Koehn, James E. Howard and Charles Cone, known to me to be the persons described in and who signed the foregoing petition, who being duly sworn, depose and say that they have read the same and know the contents thereof, and that the same are true of their own knowledge, except as to the matters therein stated to be upon information and belief, and as to such matters they believe it to be true; that all statements contained therein or annexed thereto are just and true so far as your petitioners respectively know or have the means of knowing.

H. STANLEY MAC DONALD,
Notary Public, Wayne County, Mich.

My commission expires Dec. 15, 1911.

STATE OF MICHIGAN,
COUNTY OF WAYNE—SS:

On this day of January, 1909, before me, a Notary Public in and for said county, personally appeared William C. Koehn and Charles Cone, known to me to be the persons described in and who signed the foregoing petition, who being duly sworn, depose and say that they have read the same and know the contents thereof, and that the same are true of their own knowledge, except as to the matters therein stated to be upon information and belief, and as to such matters they believe it to be true; that the statements contained therein or annexed thereto are just and true so far as your petitioners respectively know or have the means of knowing.

.....
Notary Public, Lenawee County, Mich.

My commission expires.....

EXHIBIT A.

List of property, assets, books and cash so far as ascertained of Michigan Savings & Loan Association.

Cash on hand in hands of Matthew B. Whittlesey, receiver.....	\$63,943.42
Remnants of equities in mortgages and real estate estimated by said Whittlesey to be of the value of	300.00
All the books, consisting of ledgers, cash books, stock books, about 18 in number; in the hands of the receiver.	

EXHIBIT B.

List of names of stockholders and amount of stock held by each of Michigan Savings & Loan Association, so far as ascertained:

Adams, Henry S., 29 Park Place, Detroit, Mich.	\$ 130.00
Adcock, Bell, Paris, Ont.....	64.00
Adcock, Christopher, Paris, Ont.....	128.00
Aldrich, James M., 660 Scranton avenue, Cleveland, O.	500.00
Aldrich, James M., guardian for Sam M. Anderson, 660 Scranton avenue, Cleveland, O.	500.00
Allen, Sarah J., Grass Lake, Michigan R. F. D. No. 1	159.00
Allen, Thomas, Grass Lake, Michigan, R. F. D. No. 2	400.00
Allen, Thomas, Grass Lake, Mich., R. F. D. No. 2	100.00
Allen, Thomas, Grass Lake, Mich., R. F. D. No. 2	174.00
Alpena Natl. Bank, Alpena, Mich.....	645.00
Alpern, Morris, Alpena, Mich.....	1,000.00
Althaver, Wm. J., care Edw. R. Gilday, Monroe Mich.	1,500.00
Althaver, John, Monroe, Mich.....	264.00
Althoefer, Louise, Monroe, Mich.....	825.00
American Claims & Asset Co., Minneapolis, Minn.	13,317.30
Anderson, B. R., Dallas, Tex.....	360.00
Andrus, Frank D.....	1,000.00
Anderson, Peter H. Rev., Fort Frances, Ont...	560.00
Angell, Henry A., 96 E. Maumee st., Adrian..	5,500.00
Angerine, Clara M., Adrian, Mich.....	1,000.00

Arbury, F. W., 176 Lafayette Blvd., Detroit, Mich.	975.00
Althaver, Wm. J., care Edw. R. Gilday, Monroe, Mich.	1,564.00
Armstrong, Ralph W., 17 Pine st., Detroit....	110.00
Arnold, James H., 3314 Bank st., Louisville, Ky.	1,560.00
Aten, Horace A., Clinton, Mich.....	50.00
Arant, Richard, Rapid City.....	468.00
Avery, George E., 41 Moffat Bldg., Detroit....	571.50
Backus, Mrs. C. W., 310 East st., Three Rivers, Mich.	1,000.00
Bacon, T. W. (guardian Wm. F. Baim), St. Clair, Mich.	343.03
Bader, F. W., Houston, Tex.....	660.00
Baisch, Mrs. Cidane, Adrian, Mich.....	129.00
Baker, Mrs. Lillie M., 203 Kendall st., Battle Creek, Mich.	1,495.00
Baker, Delos N., Adrian, Mich.....	630.00
Baker, Mrs. Louise M., Niles, Mich.....	500.00
Ballantine, Hugh, Blenheim, Ont., Canada....	800.00
Banker, Joseph B., Adrian, Mich.....	160.00
Banker, Mrs. E. E., Elmore, O.....	600.00
Barnes, Mrs. Margaret, 243 Front st., Grand Rapids, Mich.....	1,000.00
Barnes, Mary C., care Stuart Barnes, 1124 Ford Bldg.	260.00
Barry, Fred, Houghton, Mich.....	55.00
Barry, Napoleon, Houghton, Mich.....	130.00
Bartlett, Alice, Monroe, Mich.....	1,040.00
Bartlette, May, Monroe, Mich.....	130.00
Bass, E. F., Dallas, Tex.....	335.00
Bassingthwaite, Eliz. C., 498 Center st., Pasa- dena, Cal.	230.00
Bather, Alpheus W., 143 Seward ave., Detroit.	1,000.00
Beach, Sarah G., and Anna Cassidy, Grass Lake, Mich.	800.00
Beach, Sarah J., Grass Lake, Mich.....	700.00
Beatty, Clarence C., 124 Superior st., Toledo, O.	650.00
Beamer, George R., 385 McGraw ave., Detroit.	100.00
Beebe, Helen A., care A. Delanoy, Birmingham, Mich.	300.00
Bellamy, Chas. I., Luther, Mich.....	1,000.00
Bennett, Sarah W., 605 Monroe st., Bay City, Mich.	2,900.00

Berger, Addie D., Grass Lake, Mich.....	100.00
Loomis, Mr. C., 471 E. Fifth st., Riverside, Cal.	
Birdsall, Mary E., Beaverton, Mich.....	77.00
Birdsall, Edson O., Beaverton, Mich.....	385.00
Berry, Mrs. Brooks, 43 Hancock ave. W., De- troit	2,429.00
Biscombe, J., Kalamazoo, Mich.....	100.00
Block, Geo. Jr., Michigamee, Mich.....	55.00
Bobb, Mrs. E., Houghton, Mich.....	900.00
Beehleh, John A., 573 Willis ave., Detroit....	270.00
Bond, James T., Greenland, Mich.....	50.00
Baisch, Christie B., Adrian, Mich.....	129.00
Borne, Samuel J., ex. Mrs. E. E. Walker, Bov- rie, Texas	900.00
Caefer, Mrs. William, No. 2 North st., Adrian, Mich.	86.90
Bowen, Oren, Addison, Mich.....	182.90
Boxil, Catherine, 190 Sixth st., 715 Monroe ave.	300.00
Boyce, B. S. Maumee Paper Co., Ypsilanti, Mich.	114.75
Boykins, Mrs. Minnie, nee Carthers, Cameron, Texas	345.00
Boyle, Louis R., Elkhart, Ind.....	2,000.00
Beadley, William F., Adrian, Mich.....	2,130.00
Bradstreet Co., 407 Union Trust Bldg., Detroit	100.00
Briggs, Anna E., 13 Bridgham st., Providence, R. I.	200.00
Bristol, Carrie, Lapeer, Mich.....	325.00
Bristol, Emma G., Almont, Mich.....	325.00
Brownlee, Stephen J., 409 Milwaukee st., Mil- waukee, Wis.	210.00
Browne, Frederick, Bay City, Mich.....	620.00
Brunswick, L. N., care Parker, atty., also Ander- son & Rackham, New Orleans, La.; B. Drug Co., Los Angeles, Cal.....	670.00
Bryce, Helen, 626 Washington st., Grand Haven, Mich.	1,000.00
Bunnell, Alfred S., Lyons, Mich.....	2,000.00
Bunting, William C., 511 Elizabeth st., Ann Arbor, Mich.	255.00
Burhand, Rachael A., Ionia, Mich.....	5,000.00
Burkhead, Hulda M., 1221 W. Twenty-fifth st., Los Angeles, Cal.....	400.00
Burnap & Burnap, 1325 Collingwood, Toledo, Ohio	888.00
Burrows, Amanda, Houghton, Mich.....	140.00
Burrows, Charles W., 1080 Warren W., Detroit	65.00

Burrows, Mary, Houghton, Mich.....	140.00
Burt, Caroline, Marquette, Mich.....	13,000.00
Burt, Hattie A., 123 Owen ave., Detroit.....	100.00
Burton, C. M., Detroit, Mich.....	25.90
Busha, C. F., 275 Oakland ave., Pontiac, Mich.....	124.00
Butler, Henry F., Plaines, Ill.....	260.00
Bressee, David, 394 Greenwood ave., Detroit..	51.11
Cantrick, Frank W., care of L. S. & M. S., Adrian, Mich.	500.00
Campbell, R. S., care of Frank S. Simon, Cros- well, Mich.	755.00
Canneff, J. J., 329 South st., St. Clair, Toledo	500.00
Cane, George, Box 134 Ishpeming, Mich.....	360.00
Cansfield, Hartley, Howell, Mich.....	50.00
Carpenter, E. J., 315 E. Sycamore st., Marshall, Mich.	300.00
Cartwright, R. L., Box 611, Waco, Texas.....	83.95
Cassidy, Anna, Grass Lake, Mich.....	98.00
Cassidy, Nellie, Adrian, Mich.....	120.00
Cassidy, Rose, Adrian, Mich.....	
Caswell, Sheldon H., 805 Prospect st., South Pasadena, Cal.	1,100.00
Canchie, Mrs. Ella, Monroe, Mich.....	975.00
Childress & Taylor, Houston, Texas.....	455.00
Chittenden, Henry, 9 Division st., Adrian, Mich. (Emily Chitten, executrix).....	2,000.00
Chrisman, Lydia D., Adrian, Mich.....	1,000.00
Clark, Fred J., Norwich, Ont.....	2,000.00
Clark, Hattie E., 642 First st., Milwaukee....	700.00
Cleland, Henry A., 186 Canfield ave., Detroit..	2,000.00
Clement, Theodore and Maude, Ypsilanti, Mich.	325.00
Clark, Imogene A., 548 Averill ave., Rochester	700.00
Cone, Chas. M., Maple st., Adrian, Mich.....	260.00
Conklin, Mrs. L. M., 60 Lafayette ave., city....	65.00
Consaul, Catherine C., 185 Maumee st., Adrian, Mich., care of Chas. S. Hampton, Detroit..	1,570.00
Cooke, Aaron J., Bay City, Mich., widow Julia A. Cooke, 258 E. Madison st.....	1,772.00
Coppinger, Mrs. Belle, Lake Linden, Mich....	10.00
Foster, Laura S., greene, N. Y., Lock Box 676	1,585.00
Fowle, James S., Ionia, Mich.....	650.00
Franey, Thomas M., Perrysburg, Ohio.....	516.00
Fraser, Harry W., Luther, Mich.....	145.00
Fuller, Renselaer C., 237 Twenty-second st., De- troit	975.00
Furbush, E. H., Alpena, Mich.....	1,600.00
Furstnaw, Mrs. Anna, 239 Erskine st., Detroit	600.00
Galloway, Jas. S., Hillsdale, Mich.....	15,048.00

Gasparovich, Louis, Calumet, Mich.....	435.00
Gates, John M., 23 and B sts., Sacramento, Cal.	50.00
Ganthier, Geo., Lake Linden, Mich.....	55.00
Gedney, Richard E., 131 Wabash ave., Chicago, Ill., care of Sann & Pends, 181 LaSalle st., Chicago, Ill.	640.00
Geiger, Charles, Calumet, Mich.....	630.00
Generaur, Joseph, Jr., Lake Linden, Mich., P. O. Box 281	50.00
Gerken, Chas., admt., 2 Lillie K. Gerken, No. 350 King st., Lancaster, O.....	
Gimbert & Davis, Adrian, Mich.....	600.00
Girard, Chas., 439 Washington, St. Louis, Mich.	325.00
Glen, Carine, 106 Dwight st., Jackson, Mich..	51.00
Godfrey, Henry E., Jonesville.....	19,925.00
Goike, Joseph, 413 Canfield ave., Detroit....	530.00
Graham, Sarah E., Williamston, Mich.....	840.00
Grant, Daney, Reed City, Mich.....	284.00
Greener, Merta E., 482 Fourth ave., Detroit..	2,000.00
Grenell, John S., Mosherville, Mich.....	1,040.00
Grierson, E. S., Calumet, Mich., 1107 Calumet avenue	1,305.00
Grierson, Mary E., Calumet, Mich., 1107 Calu- met ave.	693.00
Gust, Henry, Norence, Mich.....	72.00
Gutekumst, Buke Lavinia, Grass Lake, Mich..	96.50
Hare, Chas. W., Benton Harbor, Mich.....	152.00
Hare, Fannie R., 43 Hancock ave., Detroit....	200.00
Harmon, E. D., Ionia, Mich.....	1,170.00
Harper, Alice C., Norvell, Mich.....	300.00
Harrington, Tom, Apollo, Pa. (assigned to Har- rington & Beecher.....	1,560.00
Harry, Robert, Laurium, Mich.....	800.80
Harh, Rodney G., Lapeer, Mich.....	9,750.00
Hasbrouck, Albert J., Hudson, Mich.....	3,250.00
Hatch, Mary F., Adrian, Mich., 12 Chandler st.	3,975.00
Hatch, Mary W., 133 Summer st., Grand Rap- ids, Mich.	1,000.00
Hathaway, William P., Addison, Mich.....	1,950.00
Henderson, J. C., Bolivae, Pa.....	400.00
Hess, Richard W., Niles, Mich.....	335.00
Hicks, M. Wilford, Hastings, Mich.....	110.00
Hill & Sons, Colon, Mich.....	2,500.00
Hill, Fannie P., 13 Merrick st., Adrian, care of Watts, Smith & Baldwin.....	4,000.00
Harry, Thomas, Box 295 Laurium, Mich.....	800.80
Hine, Bertha K., 419 Washington st., Bay City	620.00
Hine, Emil O., 419 Washington st., Bay City..	460.00

Hines, Henry, Grass Lake, Mich.....	177.50
Hoeg, Mrs. L. E., Brooklyn, Mich.....	400.00
Hoeg, Bert E., Brooklyn, Mich.....	700.00
Holmes, Miss Nell, St. Johns, Mich.....	300.00
Holmes, Mrs. Mary, 99 Fourteenth st., Detroit	48.00
Holtenhoff, A. B. Kearsarge P. O., Mich.....	415.00
Home Messenger Service & Parcel Del., care of John Lingemann, 214 Griswold st., Detroit, Mich.	4.90
Humphrey, Albert E. and Eliza C., Woodslee, Ont.	715.00
Hookaway, Chas. E., Grass Lake, Mich.....	270.00
Howard, James E., care of Corliss A. and Leete, 216 Fort st., Detroit.....	1,250.00
Hoyt, Marion, Grass Lake, Mich.....	66.00
Huobell, Henry, 46 Dennis st., Adrian, Mich..	4,500.00
Hudson, Mrs. Lillia M., Hammond, Ind.....	300.00
Hurlbut, Hal C., 2047 Ninth st., Cleveland, O..	315.00
Irwin, Wm. and Martin Speers, ex. J. M. Ruth- erford, Ashfield, Ont.....	650.00
Jack, William, Ludington, Mich.....	395.00
Jacklin, Eliza W., 31 Columbia st., Detroit....	200.00
Jarrell, W. F., Denton, Texas.....	360.00
Jesurum, Luna P., Douglas, Wyo.....	1,000.00
Jipson, Webster C., Blissfield, Mich.....	1,000.00
Johnson, J. D., care of Daniel F. Altland, De- troit, Mich.	355.00
Johnson, W. H. & E. E. Collins, Alpena, Mich.	1,000.00
Johnson, Mattie, Ludnow, Mich.....	45.00
Jones, Tisdell B., 68 State st., Adrian, Mich....	1,000.00
Kraemlein, Fred., Bakerfield, Cal.....	195.00
Kraemlein, Geo. G., Monroe, Mich., 307 First st.	195.00
Kaumeier, August, Lancaster, O., R. F. D. 11..	1,000.00
Kedzie, Sarah M., 2434 Dowling ave., Denver, Col.	128.00
Kehl, Charles F., 83 Prospect st., Houghton, Mich.	187.50
Kennard, J. H., Jr., Ed. Colonial Pub. Co., 277 Broadway, N. Y.	2.50
Kimball, Cora B., Ottawa, Ill., R. F. D. 33....	5.00
Kinnot, Bruce F., Albion, Mich.....	750.00
Kinney, Cooper Co., American Cotton Co., Houston, Tex.	629.69
Kirkpatrick, Isabel H., admr. F. E. Priddy Est., Adrian, Mich.	675.00
Kline, G. K., Luchburg, Pa.....	390.00
Knapp, Jno. C., Planter's Hotel, St. Louis, Mo.	725.00
Kimball, Cora B., Ottawa, Ill., R. F. D. 33....	65.00

Koehn, William C., Adrian, Mich.....	215.00
Kosterlink, Jos., Ewan, Mich.....	40.00
Kryminski, A. A., Opechee, Mich.....	295.00
Kulwicki, Martin, 816 St. Aubin ave., Detroit..	265.00
Landen, Harry B., 413 N. Farragut st., Bay City, Mich.	195.00
Lavalli, Walter J., Stark, Mich.....	25.00
Leason, Miron F., Kittaning, Pa.....	760.00
Lee, Jennie A., 310 Lincoln ave., Detroit.....	195.00
Lee, Sarah J., 530 S. Union st., Traverse City, Mich.	1,000.00
Leeman, Emma A., 327 High st., Marquette, Mich.	500.00
Lette, Thos T., Jr., 64 Alexandrine, West Detroit	1,000.00
Leidich, Christian, 174 Griswold st., Detroit..	1,000.00
Lemke, Alexander, 823 St. Aubin ave., Detroit	620.00
Le Roy, Susan B., St. Johns, Mich.....	197.50
Libbs, Wm. C., Adrian, Mich.....	560.00
Liddie, Ernest, Colon, Mich.....	100.00
Littell, W. H., care of M. C. R. R., Detroit....	1,000.00
Liresay, Clarinda P., Jasper, Mich.....	1,000.00
Lockert, A. L., Ottawa, Ill., R. F. D. 33.....	6,590.90
Lodge, Frank T., agent Fred Kaumeyer, Detroit	1,000.00
Looney, B. F., Greenville, Texas.....	190.00
Lyons, Jennie S., Calumet, Mich.....	3,146.25
McAlary, Delia, 127 Mill st., Ionia, Mich.....	32.50
McAlary, Bertha, Ionia, Mich.....	1,625.00
McCarthy, Belle C., 4224 Oakenwold ave., Chicago, Ill.	3,000.00
McCarthy, Matthew H., 4224 Oakenwold ave., Chicago, Ill.	2,000.00
McConnell, W. C., Adrian, Mich.....	630.00
McConin, Mrs. Sarah A., Hillsdale, Mich....	400.00
McDowell, Rebecca A., Bolivar, Pa.....	895.00
McGrann, Edw. P., 745 Maybury ave., Detroit	240.00
McGraw, Willis, Bay City, Mich.....	1,050.00
McHail, Sarah, Bolivar, Pa.....	158.00
McHenry, Stella, 441 N. Fifth st., San Jose, Cal.	792.00
McLaughlin, Louis, 116 Trumbull ave., Detroit	800.00
McLaws, Mrs. Wm., 233 Nineteenth st., Detroit	3,500.00
McLennan, Alex., Lapeer, Mich.....	975.00
McNoah, Mary, care of E. T. Berger, atty., Detroit, Mich.	213.00
McRobert, Elizabeth, 23 Spruce st., Detroit..	1,300.00
McCauley, Ward, 134 Lothrop, Detroit.....	92.00
Mahon, Crawford, Lapeer, Mich.....	1,040.00

Maloney, John W., Jackson, Mich.....	2,990.00
Madewille, Chas. H., Falo, Mich.....	100.00
Madewille, Mrs. Maria F., Falo, Mich.....	520.00
Murray, Mrs. T., 200 Twelfth st., Detroit....	195.00
Mars, Mrs. J. G., 59 W. Sycamore st., Detroit	648.00
Marschall, John, Dollar Bay, Mich.....	45.00
50-cent stock	691.84
Martin, Mary M., Monroe, Mich.....	800.00
Massey, W. H., Dasca, Texas, 50c stock.....	779.00
Mertes, Matthias, Calumet, Mich., 2007 S. Calu- met ave.	385.00
Mesler, W. C., Tecumseh, Mich., 50c stock....	108.00
Metz, William F., 527 Cyrus st., Ionia, Mich..	260.00
Miller, Alice M., 76 Highland ave., Highland Park, Mich.	130.00
Miller, Chas. R., Adrian, Mich.....	3,000.00
Miller, Mrs. Josephine C., Monroe, Mich., 53 Humphrey	5,005.00
Milligan, Jean W., Laurium, Mich.....	390.00
Milligan, Malonia, Laurium, Mich., J. W. Mil- ligan, guard	390.00
Milligan, Mary N., per J. W. Milligan, guard..	500.00
Milligan, Minerva, Ionia, Mich.....	390.00
Mitchell, Geo. T. R., R. F. D. No. 3, Adrian, Mich.	390.00
Mitchell, Lizzie M., Apollo, Mich.....	25.00
Mitchell, Thos., Keewadin, Mich.....	453.90
Mitchell, Wm. P., Adrian, Mich., R. F. D. No. 3	585.00
Morenci, Bank of, Morenci, Mich.....	500.00
Morrison, Wm. R., Wichita, Kansas.....	430.00
Mumford, Sarah, Waco, Texas.....	432.00
Murphy, Michael, 2205 Middle st., Calumet, Mich.	450.00
Murray, Henry H., Grass Lake, Mich. (Susan M. Murray)	150.00
Murray, Odessa, Grass Lake, Mich.....	61.00
Mustan, Jacob, Sidnau, Mich.....	950.00
Mutton, John Neal, 351 Seventeenth st., Detroit	748.00
Muzzy, Abbie E., Romeo, Mich., care of J. Mussy, 149 Larned st., Detroit.	
Maryland Casualty Co.	
Prepared appearance, etc., Dec 2.	
Sent — for facts at — Dec. 3. Hughes case.	
Wrote County Clerk, Alpena.	
Sent ——— to Gray, Toynton Fox, Dec. 4.	
Decker case.	
Deposition Hardiman, Letter Dec. 5, 1 Decker.	
Nagel, Mary, 402 Dubois st., Detroit.....	315.00

Neubert, Chas., Kittawing, Pa.....	1,900.00
Nicholas, Elizabeth, Laurium, Mich., 50c stk..	240.00
50c stock	588.74
Nicholas, John, 2748 Columbia st., Calumet, Mich.	420.00
Nicholas, Wm., Laurium, Mich., 50c stock....	240.00
Nicholson, Ernest, Luther, Mich.....	87.00
Noelke, Jos., St. Clair Hghts., Mich., 50c stock	131.00
Nolenzah, Andrew, Calumet, Mich.....	295.00
Norris, Mrs. Esther Kinney, St. Louis, Mich..	700.00
Northway, Fred, Durand, Mich.....	400.00
O'Brien, Martin, 1421 Arch st., Lansing, Mich.	390.00
Ove, George, Lake Linden, Mich., 50c stock....	350.00
Osborn, R. H., 31 Ledyard st., Detroit.....	780.00
Ouelette, Omeline, 1008 First st., Detroit, Mich.	700.00
Park, Harriet L., 104 E. Madison st., Marshall, Mich.	195.00
Parkes, R. W., 97 Adams ave., Detroit.....	100.00
Parnum, Ed. Mozart, Waco, Texas.....	390.00
Peterson, Oscar, Calumet, Mich.....	305.00
Pfeiffer, John, Lake Linden, Mich., 50c stock..	55.00
Phillips, Geo. W., Romeo, Mich.....	975.00
Pitts, Dora, 285 Twenty-fourth st., Detroit....	102.00
Plesner, Paul, Saginaw, W. S., Mich.....	100.00
Polk, Anthony, Center and Livingstone, Bay City, Mich., 50c stock.....	112.50
Polk, Anthony P., guardian for Francis P. Polk, Bay City, Mich.....	112.50
Polk, A. R., Detroit.....	10.00
Porter, James A., Brooklyn, Mich.....	650.00
Porter, Sarah J. Brooklyn, Mich.....	130.00
Powell, Mrs. H. W., Lyons, Mich.....	2,600.00
Preachers' Aid Society, A. A. Rust treasurer, Franklin, Mich.	100.00
Pronnet, Libbie A., 10 Clinton st., Detroit....	500.00
Pulver, Mrs. Belle, now Russell, Battle Creek, Los Angeles	1,500.00
Purdon, Sarah A., guard. of Frank, 385 Sixth st., Detroit	400.00
Pynshon, Ellen M., 96 E. Maumee st., Adrian, Mich.	1,500.00
Purdon, Cyrus W., 385 Sixth st., Detroit.....	706.24
Rapp, Edward C., 109 Main st., Adrian, Mich..	300.00
Ray, Stephen, Grass Lake, Mich., 50c stock....	125.00
Raynor & Taylor, Bates st., Detroit.....	12.25
Reed, Hulda J., 226 W. Second st., Greenburg, Pa.	780.00
Rehland, Martin and Eliza, 837 Door st, Toledo	300.00

Ressler, Jacob, Monroe, Mich.....	6,760.00
Ressler, Malinda, Monroe, Mich.....	2,405.00
Reynolds, Anna La Salle, Mich.....	130.00
Rhodehouse, Ann, 161 Glo— st., Dorchester, Mass.	100.00
Rice, John F., 111 Church st., Detroit.....	230.00
Richards, Chas., care of Newcomb-Endicott Co.	100.00
Robbins, B. C. and F. B. Wemple, 29 State st..	3,000.00
Robertson, D. A., Casper, Wyo.....	1,200.00
Roberts, Lewis F., 916 Wall st. Ann Arbor, Mich.	265.00
Rorci, W. B., Morenci, Mich., C. A. Wilson admr.	375.00
Robertson, Eugene P., Albion, Mich.....	345.50
Rose, James N., 1104 Travis St., Houston, Tex.	60.00
Rosenkrans, C. D., 1104 Travis st., Houston, Texas	690.00
Rosenthaler, Ernestine, 264 Frederick st., De- troit	235.00
Ruelle, Eli, Chassell, Mich.	30.00
Rust, A. A., Franklin, Mich.	100.00
Ryan, Edw., est. J. D. Suddihy, Calumet, Mich.	880.00
Sanford, Chas. W., Manchester, Mich.....	1,000.00
Saunders, N. A., Addison, Mich.....	1,550.00
Savage, Daniel, Luther, Mich.....	145.00
Savigny, Kape T., 338 Warren ave., Detroit....	1,491.82
Sayers, Anna, Bay City, Mich., 302 Adams ave., 50c stock	215.00
	830.31
Sayers, Clara B., 302 Adams ave., Bay City, Mich., 50c stock.....	210.00
Scharf, Nick, Detroit.....	23.00
Schermerhorn, E. E., Colon, Mich.....	1,955.00
Schneider, Catherine, 666 Sixteenth st., Detroit	490.00
Schneider, Fred, Seattle, Wash.....	51.00
Scholes, Ester, 177 Michigan ave., Detroit....	10,000.00
Scholes, Richard G., 177 Michigan ave., Detroit	3,000.00
Schray, Pauline, 657 First st., Detroit.....	229.07
Schwingschlef, Anton, Flint, Mich.....	455.00
Seman, Byron N., Romeo, Mich.....	65.00
Sheldon, Mrs. Coar F., Hillsdale, Mich., 52 West st.	500.00
Schulrz, Welty, Pa.....	390.00
Sibilinsky, Fred, Linden, Mich.....	60.00
Siegel, Joseph, 125 Lincoln ave., Detroit.....	620.00
Siegel, Rosalie, 125 Lincoln ave., Detroit.....	620.00
Simonson, A. B., Calumet, Mich.....	870.00
Sims, Fred, Calumet, Mich.....	365.00

Smeltzer, Jos., Avinmore, Pa.....	1,200.00
Smeltzer, Mary, Avonmore, Pa.....	200.00
Smith, Amanda, care of H. D. Snedecor, Majestic Bldg.	1,000.00
Smith, Girard, Grass Lake, Mich.....	255.00
Smith, Harriet L., Grass Lake, Mich., R. F. D. No. 4	366.00
Smith, Harson D., Cassopolis, Mich.....	5,000.00
Smith, I. G., Ameriollo, Texas, or 1011 Monroe st., Ann Arbor, Mich.....	280.00
Smith, Jacob, Jr., 471 Clinton st., Detroit....	175.00
Smith, Mark M., 411 Delaware ave., Toledo, O.	812.54
Snashall, Julia H., 446 E. Fifty-fifth st., Chicago, Ill.	400.00
Snyder, John C., Hillsdale, Mich., 4 coupons D. S.	12.00
Spielman, Rosalie, Logansport, Ind.....	700.00
Stebbing, Elra E., Evart, Mich.....	126.00
Stehlin, Elizabeth, Lake Linden, Mich.....	70.00
Stehlin, Jos. A., Lake Linden, Mich.....	70.00
Steiner, Wm., Monroe, Mich.....	455.00
Stephenson, A. M., Adrian, Mich.....	990.00
Sterbens, John, Calumet, Mich.....	390.00
Sterling, Mrs. Jennie, 163 E. Hancock, Detroit	1,500.00
Stevenson, Hannah C., Ionia, Mich.....	780.00
Stevenson, Jerome J., Adrian, Mich.....	100.00
Stieber, August	100.00
Steir, John E. Hunter's Creek, Mich.....	1,040.00
Stone, Alice A., 218 Second ave., Jackson, Mich.	750.00
Strong, E. T., Adrian, Mich.....	315.00
Strzyzewski, J. Frank, 820 St. Aubin ave., Detroit	270.00
Swanson, Nels P., Calumet, Mich.....	610.00
Swift, G. R. and Eva, Adrian, Mich.....	630.00
Taylor, John, 96 Bates st., Detroit.....	660.00
Taylor, Jos. H., Lapeer, Mich.....	650.00
Teachout, Hattie S., admx. Maria Sheridan....	487.50
Tennisom, J. A., Holgate, Ohio.....	100.00
Thatcher, Sophia G., Hillsdale, Mich.....	500.00
Thomas, A. J., Mineral Wells, Texas.....	95.00
Thomas, Ethel S., 634 Warren ave., W. Detroit	20.00
Thomas, Lucinda, 3974 Scott ave., Calumet, Mich.	172.00
	544.92
Thompson, Cora B., De Fernack Springs, Fla..	700.00
Thompson, Harry E., 16 Ledyard st., Cleveland, Ohio	325.00
Thurston, Hannah F., Jackson, Mich.....	49.00

Tobias, B. E., Adrian, Mich.....	315.00
Townsend, Ivan W., 99 Woodward ave., Detroit	315.00
Traver, A. N., 439 Third ave., Detroit.....	130.00
Tremper, Mrs. Elizabeth, St. Johns, Mich.....	200.00
Truscott, Nettie G., Marquette, Mich., 105 Arch street	500.00
Tunison, Geo. L. and Edith L., Los Angeles, Cal., 2115 Bonsalla ave.	715.00
Turnbull, Frank A., admr., Alpena, Mich.....	5,250.00
Turpin, Saml. T., Zanesville, O.....	806.40
Title Co.	Date.
December	1
Trip to Chelsea.	
Expenses for Haskins and myself..	\$4.10
Most of the day	2
—— with Lorrell	3 1
Alpena suit	4 4
Lorrell sent for me to come to ——	5 1/2
Alpena suit	5 2
Vandersaal, S. W., 1209 Fulton Blk., Pittsburg, Pa.	780.00
Vanderzalm, John, Grand Haven, Mich.....	165.00
Vanderzalm, Jennie, Grand Haven, Mich., now Mrs. H. Bolt.....	55.00
Vanderzalm & Co., Grand Haven, Mich.....	900.00
Van Ness, Alice J., Jonesville, Mich.....	455.00
Van Ness, Mrs. J. J., Jonesville, Mich.....	520.00
Van Vleck, Rector H., Paolo, Mich., adm. Peter Van Vleck	2,500.00
Van Weelden, Jacob, Maccatowa, Mich.....	125.00
Vaughan, C. L., Brooklyn, Mich.....	975.00
Vaughan, Chas. H., Beaver Falls, Pa., 3409 Fifth ave.	325.00
Veale, Wm., Opechee, Mich.....	820.00
Vigneaux, Jos. F., 48 Dodge st., Houghton, Mich.	60.00
Vivian, J., Jr., Laurium, Mich.....	960.00
Waas, Wm., Laurium, Mich.....	90.00
Wadsworth, F. E. & G. D., 304 Pioneer Press Bldg., St. Paul, Minn.....	951.00
See Am. C & Assett Co.	
Do.	561.25
Wagner, Chas. A., Dearborn, Mich.....	132.00
Wagner, John T., Ionia, Mich.....	1,000.00
Wagner, Mrs. Su., Monroe, Mich.....	200.00
Wagner, Mary K., Ionia, Mich.....	1,000.00
Walburn, Mrs. Susan, 2428 Grave st., Denver, Col.	65.00

Waldo, F. O., care of M. C. R. R., Detroit.....	1,100.00
Walsh, Margaret, 323 Lincoln ave., Detroit....	277.77
Warren, Henry M., Jonesville, Mich.....	650.00
Weatherhead, Geo. L., So. Lyons, Mich., R. F. D. No. 1	650.00
Webb, W. E., Jackson, Mich., care of W. B. Webb	231.00
Webster, Wm. D., agt., Flora E. Webster, Sen- nett, Cayago Co., N. Y.....	1,000.00
Webster, Wm. O., Ionia, Mich.....	200.00
Assigned by adm. to Ruth B. Webster.	
Weiss, Frank S., Adrian, Mich.....	600.00
Watts, Smith & Baldwin, attys., Adrian, Mich.	
Weiss, Frank X., Adrian, Mich.....	3,200.00
Watts, Smith & Baldwin, attys., Adrian, Mich.	
Do.	520.00
Weiss, Mary, Adrian, Mich.....	200.00
Weiss, Regina, Adrian, Mich.....	2,000.00
Wellman, Bert E., Richmond, Mich.....	323.00
Welty, A. D., Greensburg, Pa.....	390.00
Wilcox, David, West Bay City, Mich.....	320.00
Wilcox, Lillian E., 10 Toledo st., Adrian, Mich..	500.00
Wiley, Orville B., Lyons, Mich.....	5,695.00
Williams, Minnie J., Appollo, Pa.....	68.75
Wilson, Geo., 159 Nineteenth st., Detroit.....	790.00
Wilson, Cann. R. A., 609 Vinewood, Detroit, 159 Nineteenth st., Detroit.....	390.00
Wilson, Peter R., Wayne, Mich.....	260.00
Wimple, W. R., Onstead, Mich.....	1,000.00
Wimple, W. R. and Emily S.....	1,300.00
	447.09
Winaus, Wm., 619 Lapeer st. W., Lansing, Mich.	200.00
Wing, Chas. W., 838 Fort st. w., Detroit.....	780.00
Wingert, Fannie H., 20 Selden ave., Detroit..	3,000.00
Winton, C. H., Grand Rapids, Mich.....	290.00
Worick, G. M., Allegan, Mich.....	500.00
Wolcott, Isaac C., Tecumseh, Mich.....	2,000.00
Woodward, Robert, 4083 E. Cone st., Calumet, Mich.	840.00
Worthley, Mrs. E. P., 895 Third ave., Detroit..	1,000.00
Young, Theodore, 252 Hancock ave. w., Detroit	2,900.00
Young & Mouthrope, Bay City, Mich.....	1,760.00
Two acceptances	717.09

STATE OF MICHIGAN—IN THE CIRCUIT COURT FOR
THE COUNTY OF WAYNE, IN CHANCERY.

IN THE MATTER OF THE PE-
TITION OF THE DIRECTORS TO
HAVE MICHIGAN SAVINGS AND
LOAN ASSOCIATION, CORPORA-
TION, DISSOLVED.

To the Honorable Judges of Said Court:

The undersigned, having read the petition of Theodore Young et al., directors of said Association, and knowing the contents thereof, respectfully submit that they represent about 165 stockholders of said Michigan Savings & Loan Association, aggregating a total amount of stock of above \$104,000; that they believe it to the best interests of their clients that the matters set forth in said petition should be immediately brought to the attention of the Circuit Court of the United States for the Eastern District of Michigan, In Equity, and that a receiver appointed by this Court in this proceeding would be the best party to take proceedings for that purpose in said United States Court. They therefore join in the request of the petitioners herein that a receiver be appointed.

(Sgd.) FRANK N. RENAUD,

WM. M. MERTZ,

Attorneys for Stockholders of
Michigan Savings & Loan
Association.

STATE OF MICHIGAN—IN THE CIRCUIT COURT FOR
THE COUNTY OF WAYNE, IN CHANCERY.

IN THE MATTER OF THE PE-
TITION OF THE DIRECTORS TO
HAVE MICHIGAN SAVINGS AND
LOAN ASSOCIATION, CORPORA-
TION, DISSOLVED.

To the Honorable Judges of Said Court:

The undersigned respectfully submit that they have read the petition of Theodore Young, John Taylor, James E. Howard, William C. Koehn and Charles Cone, directors of said Association, are familiar with the facts set forth therein; that they represent 28 stockholders of the Michigan Savings & Loan Association, aggregating a total amount of stock of about \$25,000.00; that they hold written powers of attorney with full authority to represent said stockholders and take any proceedings deemed necessary for their protection and interest; that, after careful investigation and consideration of all the facts and circumstances, they are of the opinion that the petition of said directors should be favorably considered by the Court, a receiver appointed in order that the assets may be properly marshaled, and further waste prevented; and in behalf of said stockholders the undersigned respectfully join with said directors in urging the Court to take action in accordance with the petition.

(Sgd.) SMITH, BALDWIN & ALEXANDER,
By C. E. Baldwin,
Adrian, Mich.

EXHIBIT B.

Deposition of Jay W. Curts, taken February 12, 1909.
DeForest Paine appeared for the petitioners.
Paul B. Moody appeared for the respondents.

DIRECT EXAMINATION.

By Mr. Paine:

Q. Mr. Curts, you live in the city of Cincinnati and are practicing law there?

A. Yes, sir.

Q. You are one of the firm of Harper, Allen & Curts?

A. Yes, sir.

Q. You are one of the solicitors for one of the executors of George H. Scripps?

A. Yes, sir.

Q. There are two executors of that will?

A. Yes, sir.

Q. George H. Scripps and James E. Scripps? Which one do you represent?

A. George H. Scripps.

Q. And where does he reside?

A. At Westchester, O.

Q. And where does the other executor reside?

A. I do not know.

Q. He spends some of his time in Pasadena, Cal., does he not?

A. I do not know.

Q. Where do you last know of his residing?

A. I do not know.

Q. Yourself and Mr. Harper appeared for George and answered, in the case of Aldrich, Receiver, vs. Robert T. Gray, Administrator in the Estate of George H. Scripps, and others, did you not?

A. We did.

Q. What firm of lawyers represents the co-executor in Michigan?

A. Stevenson, Carpenter & Butzel.

Q. Do you know John B. Corliss of Detroit, one of the defendants in the last named cause?

A. I do.

Q. Referring to an offer of settlement of liability of the Estate of George H. Scripps, specified in your affidavit sworn to on the 4th of February and filed in the

cause of Edward Bishop vs. The Michigan Savings & Loan Association and others, do you remember receiving a letter from Mr. Paine in reference to that offer?

A. I did.

Q. Have you got that letter?

A. I have.

Q. Will you produce it?

A. I will.

Q. This is the letter which you now produce, is it?

A. Yes, sir.

Q. Will you please read it?

A. Law office of DeForest Paine, 720 Penobscot Bldg., Detroit. January 15, 1909. Gentlemen: Will you please put in writing the offer of compromise recently made to me orally by Mr. Curts when here? Very truly yours, DeForest Paine. Messrs. Harper, Allen & Curts, Cincinnati, Ohio.

Q. I offer the letter in evidence. I suppose you want to keep it, Mr. Curts, but it can be marked "1." I show you a letter purporting to be a letter written by you, and call your attention to the signature, and ask you if that is your signature?

A. It is.

Q. I offer that letter in evidence, marked "Curts No. 2."

(Objected to as incompetent, irrelevant and immaterial).

We will attach it to the record, but I will read it into the record:

Harper, Allen & Curts.

Attorneys,

First National Bank Building.

Cincinnati, January 18, 1909.

DeForest Paine, Esq.,

720 Penobscot Bldg.,

Detroit, Mich.

Dear Sir:

Yours dated January 15, 1909, post-marked Detroit, January 17, 1909, 12:30 A. M., delivered to me this morning, and in reply would say that I shall be in Detroit on Tuesday, January 19th, in connection with matters pertaining to the Michigan Savings Society, and will confer with you at that time.

Yours very truly,

(Signed) Jay W. Curts.

Q. When you wrote that reply, Mr. Curtis, had you had any consultation with John B. Corliss, with reference to your negotiations witnessed by these two letters, or concerning the law suit to which I have referred, to-wit, the defendant bill of Ralph L. Aldrich, Receiver, vs. John E. Clark, and Gray and others, or the liability of any of the defendants therein?

(Objected to as being double in its nature and calling for an answer which might be ambiguous).

A. I had no such consultation with Mr. Corliss.

Q. Had you received any letter from him on the subject?

A. I had.

Q. Will you produce it?

A. I will not.

Q. Will you state what its contents are?

A. I will. The letter I refer to was received at the same time that the letter from Mr. Paine was delivered to me. In it Mr. Corliss stated that he had made an investigation of the complicated litigation of the Michigan Savings & Loan Association, and that steps were about to be taken which would wind up the litigation. He said that I and my clients would be interested, and asked me to confer with him as soon as possible.

Q. What is your objection to producing the letter?

A. I refuse to answer.

Q. You went to Detroit and saw Mr. John B. Corliss, did you not, before withdrawing your offer?

A. I did.

Q. What conversation did you have with him?

A. When I went into Mr. Corliss's office I introduced myself to him, not having met him before that time. He stated that he had caused an investigation to be made of the manner in which the suit of Aldrich vs. The Michigan Savings & Loan Association had been brought, and that he had found that the complainant was not a bona fide stockholder and that the jurisdiction of the federal court had been improperly invoked. He handed me a copy of the petition which had been filed in the Wayne County Circuit Court.

Q. By Theodore Young and others?

A. Yes, sir. And referred to it and its exhibits as stating facts of which he had become aware. He also handed me a transcript of the testimony of Ralph L. Aldrich, taken January 16th, before Walter L. Harsha, commissioner, and cited me to the case of Krieder vs. Cole, decided by the Circuit Court of Appeals in Penn-

sylvania, reported in the 149th Federal Reporter; and then he left the office, leaving me to look over these papers. He returned subsequently and asked me what I thought of the matter. I told him that I was very much surprised and that I could hardly believe that the facts stated were possible. While I was conversing with him a letter was delivered to him enclosing the affidavit made by Mr. Bishop, a copy of which affidavit is attached to my affidavit filed in this proceeding. I re-read Bishop's affidavit, and I then went over to Mr. Paine's office and formally withdrew the offer which I had made on the 21st of December. This conversation with Mr. Corliss and the withdrawal of this offer took place on the morning of January 19th, 1909.

Q. The affidavit of Bishop to which you refer is the affidavit in which he sets forth his ownership of said stock certificates among other things, is it not, dated the 18th day of January, 1909—sworn to, rather?

A. The affidavit to which I refer was sworn to on the 18th day of January, 1909.

Q. Before Norene Hawke, notary public?

A. Yes, sir.

Q. Upon learning these facts through Mr. Corliss, did you consult Gentlemen Stevenson, Carpenter & Butzel about the matter, or had you theretofore consulted them with reference to your offer of compromise?

A. I had not consulted them.

Q. Did anybody, representing your clients, from your office?

A. Mr. Harper may or may not have done so, I do not know.

Q. Did they or did they not oppose the settlement proposed by you?

A. They had frequently expressed themselves as of the opinion that there was no liability upon the estate other than for an amount equal to that represented by the overdraft of Mr. Scripps when he withdrew from the association.

Q. And did they for that reason forward your proposed settlement?

A. The settlement which I proposed was larger than the amount of Mr. Scripps's overdraft. By overdraft I refer to that portion of the money which Mr. Scripps received from the association which, if the affairs of the association had been wound up at that time, he would not have received as a shareholder.

Q. Well, am I to infer from your answer that they did oppose your offer of settlement?

A. They had been opposed to any settlement other than a settlement upon the basis of paying in the amount which Mr. Scripps had received above what would have been his share of the assets at the time he withdrew.

Q. And they considered your offer greater than that proportion, as I understand you?

A. It was greater. Yes, sir.

Q. Now you reported to Judge Carpenter with that firm your talk with Mr. Corliss, as I understand you?

A. I did.

Q. Now, did you suggest to Mr. Corliss or to Mr. George William Moore, his solicitor—or the solicitor of the complainants rather—in the proceedings in the Wayne Circuit Court to which you have referred, the co-operation of Stevenson, Carpenter & Butzel, as counsel?

A. I did. Mr. Paine had suggested that to me.

Q. Had suggested what to you?

A. That Mr. Stevenson come into the case; remember you said the more the merrier?

Q. Do you mean that I advised you to employ Stevenson, Carpenter & Butzel to help the complainants in the Circuit Court?

A. You advised me to bring them into the matter.

Q. I advised you to do so?

A. You did.

Q. Seriously?

A. Yes.

Q. How do you account for that?

A. I do not account for it.

Q. You can't account for it, can you?

A. Only that the suggestion may have been made in the spirit of bravado.

Q. Oh, it might have been said lightly, might it?

A. In a spirit of bravado.

Q. Did you say anything to call it out?

A. Not that I know of.

Q. Did you, because I suggested it, employ Stevenson, Carpenter & Butzel to help the petitioners in the Wayne Circuit Court?

A. Not at all.

Q. It was not by reason of anything that I may have said that they were employed, was it?

A. Not at all.

Q. If you know, will you state what interest I could possibly have had in suggesting their employment as

counsel for your client or for the petitioners in that law suit?

A. I do not know what interest you might have had.

Q. You knew I represented the other side, didn't you?

A. I did.

Q. Now, Mr. Curts, have you had a consultation with George William Moore, the solicitor for Young and one of the respondents in this matter, on the subject which we have been talking about, namely the jurisdiction of the U. S. Court?

(Objected to as incompetent and immaterial unless it is confined within a matter of time as to being before any petition was filed concerning which the controversy has arisen in this particular matter).

A. I had a consultation with Mr. Moore upon the question of the subject of Bishop's affidavit, Aldrich's testimony, and the petition in the Wayne County Circuit Court.

Q. Who was present?

(Objected to as being incompetent and immaterial).

A. Mr. John B. Corliss, Mr. Paul B. Moody, Judge Wm. L. Carpenter, Mr. William M. Mertz, Mr. Baldwin, Mr. Frank N. Renue, and Mr. Charles D. Joslyn. The date on which this consultation with Mr. Moore took place was the day previous to the filing of an application with Judge Swan for permission to dismiss the case in the Wayne County Circuit Court.

Q. Was that petition the subject of that conference?

A. It was.

Q. Among other things?

A. Among other things.

Q. That was a conference, was it not, besides what you have testified to, with reference to challenging the jurisdiction of the U. S. Court?

A. We discussed what would be the proper method of raising the question in the U. S. Court.

Q. Did Mr. John B. Corliss state there that he had had any interview with Judge Swan about the matter?

(Objected to as incompetent and immaterial, and also as to matters between clients and their attorneys).

A. I do not think that he said anything about an interview with Judge Swan at that time.

Q. Did Mr. Moore say anything about it?

A. I do not think that Mr. Moore said anything about an interview with Judge Swan at that time.

Q. If at any time or at any conference either of

those persons did, will you state when and where it was?

(Same objection).

A. Mr. Corliss stated that before the petition was filed in the Wayne County Circuit Court, he told Judge Swan of the facts concerning Mr. Bishop, and told Judge Swan that they intended to proceed in the Wayne County Circuit Court for the purpose of getting the receiver to apply to the United States Court and to raise the question of jurisdiction in that court, and to receive the assets from the hands of the receiver appointed in the United States Circuit Court.

Q. Was that statement made at the meeting at which you testified they were all present and at the times specified?

A. I do not remember.

Q. But it was made then or at some other meeting, as you remember?

A. It was.

Q. Now, Mr. Curts, have you met those gentlemen or any of them since that time on the same subject, and, if so, when and where?

A. I have met Mr. Corliss since that time at his office—I do not remember the dates. I met Judge Carpenter at his office; I do not remember the dates. I met Mr. Moody at his office; I do not remember the dates; I have met Mr. Joslyn since that time in his office, but do not remember the dates.

Q. Mr. Moody is associated with Mr. Corliss, is he not?

A. I so understand.

Q. When did you first learn that John B. Corliss was defendant in the dependent cause of Aldrich vs. Clark, and Gray, and others?

A. At the time when the appeal was taken by the receiver from the decrees sustaining the demurrer of Robert T. Gray, Executor, in the case of Aldrich vs. Gray.

Q. Of course, Mr. Curts, the defeat of the jurisdiction of the United States Court would eliminate the liability of the Scripps Estate and that of John B. Corliss, would it not?

A. I believe that it would terminate the litigation in the case of Aldrich, Receiver, vs. Clark, and others.

Q. And to that extent at least defeat a recovery?

A. I believe so.

Q. These meetings which you have specified, were

they before or after the proceedings for an attachment and for an injunction, in which this deposition is being taken, were begun?

A. Both before and after.

Q. Were you present, Mr. Curts, at the meeting in which these petitioners, Theodore Young and others, who filed their petition in the Wayne Circuit Court, claim to have been appointed or elected directors of the Michigan Savings & Loan Association?

A. I was not.

Q. Were you advised of those proceedings at or before they took place?

A. I was not.

Q. When did you first learn of those proceedings?

A. The first I learned of any proceedings by the directors or any one else, as recited in the petition filed in the Wayne County Circuit Court, was on January 19, 1909, after the petition had been filed.

Q. And when Mr. Corliss told you about it you testified?

A. Yes, sir, that was at the same time.

Q. Were you present at a meeting held at the office of George William Moore, in the City of Detroit, at which certain votes were taken, certain persons claiming to represent stockholders were present—and I don't know that certain stockholders—who undertook to elect what is alleged to be another set of directors?

A. I was not.

Q. When, if ever, were you advised of that meeting?

A. A few days before the meeting was held.

Q. By whom?

A. Mr. Corliss.

Q. By letter?

A. No, sir.

Q. Orally?

A. Yes, sir.

Q. What did he tell you about it and where?

A. In his office; Mr. Corliss told me that the annual meeting provided for in the by-laws of the association would soon be held and that at that time an election of directors would be held. He himself was a stockholder.

Q. Did you know that he was one of the gentlemen whom they assumed to elect at that meeting?

A. To what time does your question refer?

Q. Do you know?

A. I have been so informed.

Q. By him?

A. I do not know by whom.

Q. Did Mr. Corliss tell you when he said that that meeting was to be held, what the program was as outlined by the gentlemen who were interested in calling it and having it held?

A. He told me there would be an election of directors, and that the question of procuring an immediate distribution of the assets instead of continuing the litigation in the United States Court, would be presented to the stockholders for their action.

Q. And did he tell you what form that attempt to get an immediate distribution would take, or how it was decided to proceed to that end?

A. No, sir.

Q. Did he tell you that that meeting was for the purpose of instructing the directors to take proceedings to question the jurisdiction of the United States Court in the matter?

A. Not that I remember.

Q. You don't remember what he said especially, other than what you have testified to; is that it?

A. That is substantially all that he told me.

Q. Well, Mr. Curts, your offer of settlement that was made at the time, was bona fide, was it not?

A. Yes, sir.

Q. It was withdrawn by reason of the facts to which your attention was called by Mr. John B. Corliss?

(Objected to unless it is confined to specific facts).

A. It was withdrawn because of the facts appearing in Mr. Bishop's affidavit and in the testimony of Mr. Aldrich given before Walter S. Harsha, and of the decision in the case of Kreider vs. Cole, and of the provision of the Federal Statute relating to the dismissal of the cause brought into the Federal Court, either originally or by removal, when the complainant was collusively made a party for the purpose of bringing the matter within the cognizance of the Federal Court.

Q. All of which was called to your attention by John B. Corliss, as you have testified to?

A. It was not.

Q. And your negotiations were suspended by reason of that letter received from Mr. John B. Corliss at the same time that you received my letter, marked "Curts, Exhibit 1?"

A. They were not.

Q. I change the word suspended to halted and ask you to answer.

A. They were not.

Q. Had you prior to the receipt of that letter made up your mind to withdraw that offer?

A. I had not.

Q. What effect upon your reply to me did the receipt of the letter from John B. Corliss have?

A. None whatever.

Q. What was your object then in suspending your reply to make it oral, and not complying with the request to put your offer in writing?

A. There was no need to put the offer in writing when I was going to Detroit as soon as a letter to Mr. Paine would reach him.

Q. And you mean to say that a letter of the character which you have testified to had no effect upon your conduct or course in that matter at all?

A. It did not.

Q. It was a letter advising you that the U. S. Court might not have jurisdiction of the cause, as I understand you?

A. That is correct.

Q. And your testimony then will be left that your conduct was solely and only guided by the information which you received through Mr. Corliss, as testified to?

(Objected to, having already answered, and an attempt to enlarge the answer to cover facts different from what is already given).

A. To which conduct do you refer?

Q. In withdrawing the offer.

A. The offer was withdrawn on account of the facts which I learned in Mr. Bishop's affidavit and the testimony of Mr. Aldrich, and the decision in the Kreider case, and the Federal Statute to which I refer.

Q. Mr. Curts, you do not intend to renew that offer until you can get further light as to whether the law suit stands or falls, do you?

A. That is true.

Q. And the estate of George H. Scripps, as I understand you, are now engaged with Mr. Corliss and others in co-operation, for the purpose of testing the jurisdiction of the United States Court?

A. That is not true.

Q. In what respect is it untrue?

A. The estate has not appeared to any matter looking to that end; the estate is not a party to the original

action of Bishop vs. The Michigan Savings & Loan Association. It is interested to this extent: That it would be for its advantage to have the question of jurisdiction properly raised before Judge Swan and in having that question properly decided.

Q. Its counsel are so engaged then? Both yourselves as representing one executor, and Stevenson, Carpenter & Butzel as representing the other, are they not?

A. Is that word testing? or contesting?

(Stenographer read it "testing").

Q. Very well, then let it stand that way, directly or indirectly.

A. To the extent that counsel for the estate can assist in properly presenting the question of jurisdiction to the court, the estate is so engaged.

Q. It is also engaged in conferring with those immediately before the court on that question, is it not?

A. Attorneys for the Estate have consulted with the parties now before the court for that purpose.

Q. And are actively engaged in counseling those parties on that subject, are they not?

A. Yes.

CROSS-EXAMINATION.

By Mr. Paul B. Moody:

Q. Mr. Curts, when was this offer of compromise made?

A. On the 21st day of December, 1908.

Q. And did you hear anything from it until the receipt of this letter on the 18th day of January?

A. I did not.

Q. Had you ever communicated to Mr. Corliss or to any of the respondents in this matter the fact that you had made such an offer of compromise?

A. Not until the morning of January 19th after I had read the affidavit of Bishop and the testimony of Aldrich.

Q. After you had read the testimony of Corliss and the affidavit of Bishop you told Mr. Corliss that you had made such an offer?

A. I did.

Q. And thereupon you went over and withdrew the offer?

A. I did.

Q. You withdrew this offer of your own notion?

A. I did.

Q. Mr. Corliss didn't request you to do so, did he?

A. He did not.

Q. Did the fact that a petition had been filed in the Circuit Court for the County of Wayne, have any effect upon your action?

A. It did not.

Q. Is it true that you exercised your own legal judgment for the benefit of your clients upon the facts as you learned them from the testimony of Aldrich and the affidavit of Bishop, and the law thereon as you understood it?

A. I did.

Q. Did you ever state to Mr. Matthew B. Whittlesey or any one else that the reason of your withdrawal of your proposition was because a petition had been filed in the state court which would deprive the United States Court of jurisdiction.

(The question is objected to as not proper in cross-examination, for the subject of his reason in that regard not having been touched upon in chief).

A. I did not.

Q. Did you say to any one anything like that in substance?

A. I did not.

(Same objection).

Q. The fact is, is it not, Mr. Curts, that your interest on behalf of your clients is simply that the question of jurisdiction in the United States Court, in the face of the facts which have recently come to light, should be speedily determined in that court?

A. That was the sole interest that we have in this matter. I believed that the facts disclosed show a condition which should be brought to the court's attention and that the court should be given an opportunity to pass upon the questions which those facts raise, and the interests of my clients require that counsel for the estate assist, in so far as they are able, in bringing that question properly before the court.

Q. Did you consult with Judge Carpenter or with Messrs. Stevenson, Carpenter & Butzel prior to the withdrawal of your offer?

A. I did not. It was very evident to me that it would be improper for us to continue the offer while the question of jurisdiction was pending or was about to be raised.

Q. Is it not true that on learning of these facts in regard to the manner of commencing suit, that you

concluded that you would have to raise the question yourself unless it was otherwise properly raised in the U. S. Court?

A. It is true. I also considered that the best way to raise the question was to raise it directly in the original cause before Judge Swan, and as speedily as possible.

Q. And when you say that you have no present intention of opening further negotiations until you have further light on the subject of jurisdiction, you mean until the United States Court for the Eastern District of Michigan, or some appellant federal tribunal shall definitely pass upon the question of its own jurisdiction?

A. I do.

RE-DIRECT EXAMINATION.

By Mr. Paine:

Q. Mr. Curts, did you tell Mr. Whittlesey or Mr. Paine, when you withdrew your offer, anything about that affidavit of Bishop's?

A. I did not.

RE-CROSS EXAMINATION.

By Mr. Moody:

Q. Mr. Curts, the reason you didn't tell Mr. Whittlesey or Mr. Paine about the affidavit of Bishop, was because you knew that it was about to be presented to the United States Court, and didn't consider it proper to disclose it?

A. That is true.

RE-DIRECT EXAMINATION.

By Mr. Paine:

Q. Why, Mr. Curts, you know it had already been presented to the Wayne Circuit Court, did you not?

A. It had not been presented to the Wayne Circuit Court.

Q. Was it subsequently attached to that petition filed in that cause?

A. I don't remember. I will have to refer to the petition itself.

Q. The petition had been filed, had it not, in the Wayne Circuit Court?

A. That had been filed I think on the 18th.

Q. Had it been decided upon when you came and

withdrew that offer, to present Bishop's affidavit to the United States Court, by yourself?

A. I understood from Mr. Corliss that it would be presented to the United States Court by the receiver, to be appointed in the state court.

Q. That is to say, if they got the receiver appointed that receiver would present it?

A. It was to be the duty of the receiver to present that affidavit to the United States Court.

EXHIBIT C.

IN THE CIRCUIT COURT OF THE UNITED STATES, EASTERN
DISTRICT OF MICHIGAN, IN EQUITY.

EDWARD W. BISHOP,	}
Complainant,	
vs.	
THE MICHIGAN SAVINGS AND LOAN ASSOCIATION and GEORGE LORD,	
Defendants.	

In the Matter of the Petition of Ralph L. Aldrich and
Matthew Whittlesey, Receivers, for an Injunction and for
Attachment for Contempt.

DEPOSITION OF EDWARD W. BISHOP.
APPEARANCES:

De Forest Paine, for Receivers Whittlesey & Aldrich.

Paul B. Moody, for Respondents in the said contempt
proceeding.

It is stipulated and agreed that Charles W. Weir may
take the testimony of Edward W. Bishop in shorthand
and transcribe the same, and that the testimony so
transcribed and certified to by the Notary may be read
in evidence, subject to such objections as may be made
at the time of taking the same.

EDWARD W. BISHOP, being duly sworn to tell the
truth, the whole truth and nothing but the truth con-
cerning said cause, deposes as follows:

EXAMINATION.

By Mr. De Forest Paine:

Q. Mr. Bishop, you have lived in Muncie, Indiana,
for how many years?

A. Twenty-seven—twenty-eight.

Q. What is your business?

A. Insurance.

Q. You are forty-five years of age and upward?

A. Yes, sir.

Q. Do you know Ralph L. Aldrich, the receiver in this matter?

A. I do.

Q. Do you know Mr. John B. Corliss?

A. I have met the gentleman once.

Q. Where did you meet Mr. Corliss?

A. In this office.

Q. How long since?

A. About four weeks ago.

Q. How did he make himself known to you?

A. Had a letter of introduction from Mr. Frank R. Thrall, of Detroit.

Q. One of your friends?

A. Yes, sir.

Q. Mr. Corliss came to you, I understand, here in this office?

A. Yes, sir.

Q. What did he say the object of his visit was?

A. He said he was representing a large number of the shareholders of The Michigan Savings & Loan Association, and as I was complainant in asking for a receiver for that company he came for information regarding same.

Q. What information did he ask you to give?

A. As to my reasons for doing so.

Q. As to your reasons for filing the bill in the cause?

A. Yes, sir.

Q. What did you say?

A. I told him it was on the solicitation of my friend Mr. Ralph L. Aldrich who contemplated or who was seeking to be receiver for the association, as it was intimated to him that a receiver was to be appointed very shortly.

Q. Is that all that was said?

A. Well, there was other conversations came out during our visit together, but that was the principal reason that I gave him that sentence.

Q. Was the other conversation pertaining to the business about which you testified?

A. Most of it was.

Q. You may state what it was.

A. Well, he asked me if I—He asked me if I had any objections to showing him the certificate that I held.

Q. The stock certificate?

A. Yes, the stock certificate. I told him I had no

objections whatever and exhibited them to him and he looked them over and took the number of them and the dates.

Q. Those were stock certificates of The Michigan Savings & Loan Association, were they?

A. Yes, sir.

Q. What else was said?

A. And he asked me if I had paid anything on them since receiving them and asked me how much I had paid for them, and I told him I was only out a nominal sum on them, but did not name any specified price.

Q. You said you were only out a nominal sum on them?

A. Yes, sir. He spoke about my claim not having been filed with the receiver, and told me I had better do so at once.

Q. What did you say to that?

A. I told him that I would do so, and he left a memorandum with my stenographer here, and she made out the form as left by him.

Q. How much do you claim on the certificates?

A. Three hundred dollars on one—the value of three hundred dollars paid up stock, but the assessment stock, only one payment had been made on that.

Q. How much did you pay on the assessment stock?

A. Well, it shows a ten-dollar payment on the first installment, as required by the certificate.

Q. Have you got those certificates, Mr. Bishop?

A. Yes, sir, I have.

Q. Will you produce them, please?

(Witness now produces the certificates.)

Q. These are the two certificates which you have just now produced which you showed to Mr. Corliss?

A. They are.

Q. Were these the two certificates which you held at the time you filed the bill of complaint in this cause?

A. They are.

Q. If you have not given all the conversation that you had with Mr. Corliss, will you continue and state what else was said by either of you. Just repeat what he said the object of his business was?

A. He said he was representing the stockholders of the association, and that he was trying—a part I didn't speak of awhile ago—trying to get all the names of the parties that owned stock that he didn't have a list of.

Q. Did he ask you to permit him to represent your stock?

A. I don't know that he did.

Q. But he said he wished to get the names of all stockholders?

A. Yes, as far as he could.

Q. As far as he could?

A. Yes. I had had a communication from a party several months ago asking what I would take for my stock, but I believe it was from St. Paul, and he gave a slip to me. I never answered the letter at all. I gave that slip to him.

Q. You gave Mr. Corliss that slip?

A. Yes, sir.

Q. You gave him the slip of the party at St. Paul who wanted to know what you would take for your stock?

A. Yes, sir.

Q. Do you remember the name of that party?

A. No, I do not.

Q. You refused to sell your stock?

A. I didn't reply to it at all; just pigeon-holed it.

Q. Well, now, what else occurred between you and Mr. Corliss at that interview after he had examined your stock certificate and you had told him what your interest was in them?

A. Well, he asked me if I wanted to make an affidavit as to our conversation, and I told him I didn't care to at this time.

Q. Did he tell you what he wanted the affidavit for and what prompted him to ask you to make an affidavit in the matter?

A. Only to verify the conversation we had formerly had, I suppose was all, and he said that on his return to Detroit that he would see Mr. Aldrich and take his testimony.

Q. Did he tell you that Mr. Aldrich was then being examined in a case against Mr. Corliss and others?

A. No, sir, he did not mention that.

Q. Did he tell you that Mr. Aldrich as receiver was trying to hold him liable as a stockholder and a director?

A. No, sir. He told me that he was a stockholder, but did not say anything about being a director.

Q. He said that he, Mr. Corliss, was a stockholder?

A. Yes, sir.

Q. But he didn't tell you that he was being sued as a stockholder by Mr. Aldrich?

A. No, sir, he did not mention that.

Q. Did he give you any reason whatever for asking you to make an affidavit of the conversation between you or the facts which you had stated to him?

A. Only as stated before; only to verify what was said in our conversation.

Q. You told him you didn't care to make an affidavit?

A. Not at this time.

Q. By this time, you meant at the time when you were talking?

A. When we were talking, yes.

Q. Now, have you stated all the conversation as near as you can remember it between you and Mr. Corliss at that time?

A. All I remember pertaining to this matter. We had a casual conversation regarding other matters.

Q. Perhaps social matters?

A. Yes, social matters; yes, sir.

Q. Have you seen Mr. Corliss since?

A. No, sir.

Q. That is the only conversation that you ever had with him personally?

A. Yes, sir, that one.

Q. You subsequently did make an affidavit in this cause, Mr. Bishop, did you not?

A. Yes, sir.

Q. At whose request?

A. Mr. Corliss's.

Q. Did he write you on the subject?

A. He did.

Q. Have you got his letter?

A. I think so. I haven't seen it since that time. I think I have it here.

Q. Will you please produce it?

(Witness produces letter.)

Q. Have you the letter?

A. I have.

Q. Will you please read it?

A.

Detroit, Jan. 16, 1909.

Mr. Edward W. Bishop,
Muncie, Indiana.

My Dear Sir:

As promised, I write to inform you that I had Mr. Aldrich on the stand this morning and examined him extensively with reference to the suit commenced by you in the United States Court here against the Michigan Savings & Loan Association. He admitted that the bill was prepared here and that it was executed by you at his request; that he caused to be issued to you Certificate No. 8605 for twenty (20) shares of the installment stock in the Association, for which you paid nothing, and that he transferred to you Certificate No. 20,022 for three (3)

shares of full paid dividend stock, for which no consideration was paid by you to him. He admitted that you did not come to Detroit, but acted upon his suggestion and request for the purpose of enabling him to get jurisdiction in the United States Court, and secure his own appointment as receiver of said Association. He did not remember whether he gave you a paper indemnifying you against loss or any expense in the matter, and would not say whether he did or not. I obtained from him other important facts not material to the point in which you are interested. He had nothing to do with the affairs of the Association now, a receiver having been appointed in 1906. The admission is of vital importance, and I desire to show to the Court a corroboration of his statement by you. I have, therefore, prepared, and herewith enclose, an affidavit which I trust you will be willing to sign and swear to before a Notary Public, and return to me on Monday. I can assure you that it will cause you no trouble, nor involve you in any way. It will also avoid the necessity of your coming here to testify, or taking your deposition there. I did not expect the frank admission of Mr. Aldrich to be so voluntarily made by him, and for that reason took the precaution to see you personally. He, of course, at the present time has no special interest in the matter. If there is anything in the enclosed affidavit, which does not fully cover the facts as you recall them, please redraft it so as to cover exactly the facts as you remember them.

Trusting this will meet your favorable consideration, and that I may have the affidavit by return mail, I am,

Sincerely and fraternally yours,

(Signed) Jno. B. Corliss.

Q. Did you make the affidavit he enclosed the draft for?

A. I did.

Q. You had no further knowledge than what is disclosed from that letter as to the purpose that your affidavit was to subserve?

A. Nothing farther.

Q. You didn't know that it was to be used to apply to the Circuit Court for the County of Wayne for another receiver?

A. I did not; only as stated—to corroborate things Mr. Aldrich had said.

Q. You made the affidavit for the purpose of corroborating, as you understand it, what you were advised Mr. Aldrich testified to?

A. Yes, sir.

Q. But you didn't know the purpose for which your affidavit was to be put?

A. I did not. I don't know yet what it has been put for. I have no evidence to show what it has been used for.

Q. Have you any other communications from Mr. Corliss?

A. I believe only in answer when I returned the affidavit, thanking me for it.

Q. You received a letter thanking you for forwarding your affidavit?

A. Yes, sir.

Q. Endorsed on Certificate Number 20,022 appears an assignment signed by Ralph L. Aldrich. I show you that signature and ask you if that's his signature?

A. That is.

Q. How long before you signed and swore to the bill in this cause were these two stock certificates which you have produced delivered to you?

A. Well, possibly the same day, or it might have been the day following, I am not positive.

Q. At any rate, when you signed and was sworn to the bill of complaint in this cause both these certificates had been delivered to you with the assignment to which I have called your attention?

A. Yes, sir.

Q. I offer these certificates in evidence.

(The certificates are here offered in evidence.)

Q. Mr. Bishop, will you read the stock certificate marked "Exhibit Bishop 1 Norene Hawk?"

A.

THE MICHIGAN SAVINGS & LOAN ASSOCIATION; OF DETROIT, MICHIGAN.

Amount at maturity
\$300.00.

No. of this certificate 20,022.

No. of shares—3—

This Certifies that—Ralph L. Aldrich—of Detroit, County of Wayne, State of Michigan, is the owner of Three Shares of Pre-Paid Installment Stock, in The Michigan Savings and Loan Association of Detroit, Mich., of the maturity or par value of ONE HUNDRED DOLLARS each, upon which dues have been paid in ad-

vance to the amount of Sixty-Five Dollars per share, and the holder hereof is entitled to receive out of the profits apportioned to said shares semi-annual dividends in cash at the rate of Six per cent. per annum on the first days of July and January of each year, upon the amount so paid, but if carried until its par value is attained this stock shall participate in the full profits of the Association.

This stock is entitled to all the benefits and advantages conferred upon it by the By-laws of this Association, and is issued to and accepted by the holder subject to all the terms, conditions and limitations thereof.

In Witness Whereof said Association has caused this Certificate to be signed
(Seal) and sealed by its proper officers this First day of January, 1901.

Thos. F. Hancock, Vice-President;

F. B. Wemple, Secretary.

Q. The certificate has forty coupons attached, has it not, for the payment of what sum of money each?

A. Forty; yes, sir.

Q. For the payment of what sum of money each?

A. For what sum—Three sixty-five. Let's see. One hundred Ninety-five dollars—

Q. You misunderstand me. For what sum of money does each coupon stand for?

A. Five dollars and eighty-five cents each.

Q. Will you read one of them?

A.

The Michigan Savings and Loan
Association.

On the first day of
January 1921.

Will Pay

To Bearer Five & 85/100 Dollars

At the office of the Association, in the City of Detroit, Michigan, being semi-annual interest on its prepaid installment stock Certificate No. 20022.

F. B. Wemple,
Secretary.

John E. Clark,
President.

Q. All those coupons are practically in the same terms, except the due dates, are they not?

A. They are.

Q. Please read the assignment of that certificate.

A.

Assignment No. 1.

For value received, I hereby sell, assign, transfer and set over all my right, title and interest in and to the within shares of stock Certificate numbered 20,022 for three shares to Edward W. Bishop, of Muncie, County of Delaware, State of Indiana.

(Signed) Ralph L. Aldrich.

Q. Now, will you please read Certificate No. 8,605?

A.

Capital Stock \$25,000,000.

The MICHIGAN
SAVINGS AND LOAN ASSOCIATION.
DETROIT. MICHIGAN.

No. of Shares.	No. of Series.	No. of Certificate.
—20—	—134th—	—8605—
50c		

This Certifies, that E. W. Bishop, of the City of Muncie, County of Delaware, and State of Indiana, is hereby constituted a Shareholder of

The Michigan Savings and Loan Association,
Incorporated under the laws of the State of Michigan,
50c

and holds Twenty Shares in the 134th Series therein of One Hundred Dollars each and in consideration of the entrance fee, together with agreements and statements contained in the application for membership in this Association, and full compliance with all the provisions and conditions of the By-Laws, a copy of which is attached to this Certificate, which is hereby referred to and made a part of this contract, the said

The Michigan Savings and Loan Association agrees to pay to said shareholder or his executors, administrators, or assigns, the sum of One Hundred Dollars for each of said shares, as soon as the payments, together with all proper profits thereon, shall cause all the shares in said 134th series to attain the value of One Hundred Dollars each, as shown by the semi-annual statement of the Auditing Committee of said Association. All payments under this Certificate are payable at the home office of the Association in Detroit, Michigan, in accordance with the terms and conditions of said By-laws.

Given under the seal of said Association
at the City of Detroit, Michigan, this First
(Seal) day of January, A. D. 1901.
Thos. F. Hancock, Vice-president.
F. B. Wemple, Secretary.

Q. Attached to that certificate is a copy of the by-laws, is there not?

A. Yes, sir.

Q. And what is there written or stamped in red ink in the center of the second page?

A. These by-laws amended as per enclosed copy.

Q. Now, Mr. Bishop, when you filed the bill of complaint in this cause you understood, did you not, that you were filing it for the benefit of all the shareholders?

By Mr. Moody: I object to the question for the reason that it is incompetent and immaterial, and also as leading. The witness has already stated why he signed it.

A. I knew that all the shareholders shared just the same equally by doing so.

Q. And was this your purpose?

A. Not entirely.

Q. What was your purpose?

A. As stated before, to assist Mr. Aldrich in getting the receivership, as one was to be appointed for this association.

Q. You were told by Mr. Aldrich, were you not, that this corporation had a multitude of stockholders scattered all over the Union?

By Mr. Moody: I object to the question for the reason that it is incompetent and immaterial and is also leading.

A. Mr. Aldrich said that the shareholders were in several states in the Union and it was necessary to get it within the jurisdiction of the United States Court so that no one state could get in and gobble it up or something to that effect, or to take charge of the assets.

Q. Didn't he tell you that there was danger of getting it in some state court?

By Mr. Moody: I object to the question for the reason that it is incompetent, immaterial and also as grossly leading.

A. I will state that he said that the loss had been very severe in Texas, and they didn't care about it getting into the hands of the Texas court.

Q. Did he tell you why?

A. Well, they were afraid of injury and it would be in favor of the Texas shareholders.

Q. Did he say that it would injure the securities if that would happen?

By Mr. Moody: Same objection.

A. I don't know that he did.

Q. Did he tell you that Mr. Lord representing the State of Michigan had examined the association?

A. He told me some official had and declared it insolvent; not able to meet its obligations and principally on account of the Galveston Flood, as they had lost heavily at that point.

Q. Did he say that that official had decided that it was best to have a receiver appointed?

By Mr. Moody: Same objection.

A. He did, or at least intimated so.

Q. Now, Mr. Bishop, in signing that paper you were satisfied that you did it not only to help Mr. Aldrich, but all the shareholders of the corporation, did you not?

By Mr. Moody: I object to that for the reason that it is incompetent, immaterial and leading, and also as the witness has already answered why he did it twice.

A. Well, it was for the benefit of all concerned in the association.

Q. You have no desire, have you, to go back on your bill of complaint in this cause?

A. Have no reason to now. Thought I was doing what is right and still feel that way.

Q. And still wish to continue?

A. I do.

Q. Anybody who may be taking any steps to defeat the jurisdiction of the United States Court on your bill of complaint is taking them without your authority or co-operation, are they not?

By Mr. Moody: I object to the question for the reason that it is incompetent, immaterial and as grossly leading and suggestive.

A. Yes.

Q. Who is your present solicitor, Mr. Bishop?

A. In this matter?

Q. Yes.

A. I have none.

Q. You authorized, I believe, Nichols & Durfee to represent you on the death of John D. Conely, of Detroit?

By Mr. Moody: Same objection.

A. I don't remember that I did.

CROSS-EXAMINATION.

By Mr. Moody:

Q. Mr. Bishop, in the present proceedings you have no object or interest of any kind, have you, except to tell the exact facts?

A. Have no interest whatever.

Q. And neither Mr. Aldrich, Mr. Corliss, Mr. Paine or myself, or any other person, has asked you to conceal anything in regard to the facts?

A. Not a word.

Q. Now, I understood you to say that you have lived twenty-eight years in this city?

A. Yes, sir.

Q. And Mr. Aldrich used to live here also?

A. Yes, sir.

Q. And how long did he live here?

A. About five years.

Q. During what period was that; up to when?

A. It seems to me about ninety-one or two to about eighteen ninety-six.

Q. -And then he went where?

A. Back to Detroit.

Q. He had previously lived in Detroit before coming here?

A. Yes, sir.

Q. And what business was he in here?

A. He bought a piece of land and laid it out in an addition and had a land company formed as the Aldrich Land Company; he built houses and sold the houses and the lots.

Q. Were you in any way interested with him in the business?

A. Mr. John J. Hartley and myself had an office on East Main street in the Boyce Block, opposite the Kirby House, and Mr. Aldrich occupied the office rooms with us during that time.

Q. And that was your acquaintance with him from being in the same office?

A. Yes, sir.

Q. After he left and went back to Detroit, did you keep up your acquaintance?

A. I did.

Q. After that did you see him frequently?

A. Yes, sir; his business required him to come here and—

Q. He used to visit at your house?

A. Yes, sir.

Q. And you had visited him in Detroit, had you?

A. Only at his office at one time.

Q. Now, just before you signed the bill of complaint in this cause Mr. Aldrich communicated with you by phone, did he not?

A. He did.

Q. And asked you if you would be willing to sign the bill of complaint?

A. He told me that the company was about to go into the hands of the receiver and he wanted to be receiver and that it required a citizen outside of the State of Michigan to make the complaint.

Q. That was in order to get into the United States Court?

A. I presume so.

Q. That is, he didn't mention the United States Court?

A. I think not.

Q. But he did say that it was necessary to have a citizen outside of the State of Michigan?

A. Yes.

Q. And you told him over the phone that you would do that for him?

A. He said I would not be running any risk whatever, and as a friend of course I was glad to help him get the position. I expected it to be a good position for him.

Q. Now, then, immediately after that Mr. Aldrich came down, did he not, and brought the papers with him?

A. He did.

Q. He brought the bill of complaint ready for you to sign?

A. He presented it to me, I presume he had it ready when he came to Muncie.

Q. Do you recall about him drawing up the jurat at the end of the bill in his own handwriting?

A. No, sir.

Q. You don't recall that?

A. No, sir.

Q. And he brought this stock with him?

A. Yes, sir.

Q. He was in some haste, when he came down, was he not?

A. He was.

Q. And you signed the bill on the same day he brought it down?

A. I am not positive. My recollection is that he came

here in the evening; it may have been in the morning and spent the day here.

Q. Whether you signed the bill on the first day he was here or on the second you are not positive?

A. I think it was the second day, I am not positive. We had several other transactions in other matters, and I am not positive whether it was in the evening or next morning that this was signed.

Q. And I understand that he gave you these two certificates before you signed the bill?

A. Yes. I had to have them in my possession before I signed the bill or I would not have been in a position to have signed it.

Q. You say that you would not have been in a position to sign the bill without them and that was what they were given you for?

A. Yes, I would not have been in a position to have signed it.

Q. Now, at that time, Mr. Aldrich gave you some writing, did he not, indemnifying you against any loss or damage on account of your signing the bill?

A. I don't remember whether he did or not. I know that we talked the matter over that there would be no liability on my part whatever by doing so; that it would be perfectly legal and all right.

Q. You knew Mr. Aldrich himself was a lawyer?

A. Yes, sir, I did.

Q. And you relied entirely upon him that everything was all right.

A. Yes, sir.

Q. And you did it out of pure friendship to him?

A. Yes, sir, I did.

Q. You are not certain now whether there was any writing for indemnity or not?

A. I could not say.

Q. Did you ever go to Detroit in connection with the matter?

A. I did not.

Q. Did you know whom he had employed to act as solicitor for you?

A. He told me Mr. Conely.

Q. He told you when?

A. When he was here.

Q. At the time he was here with the bill?

A. Yes, sir.

Q. Did you ever have any correspondence with Mr. Conely?

A. I did not.

Q. Did you ever pay Mr. Conely anything?

A. No, sir.

Q. Do you know when Mr. Conely died?

A. No, I did not.

Q. Had you known before today that he was dead?

A. I don't remember that I did.

Q. Did you ever hear of this firm of attorneys named Nichols and Durfee?

A. No, sir.

Q. So far as the Detroit end of the litigation was concerned and so far as you were concerned in it, it was managed by Mr. Aldrich, and not by you?

A. Yes, sir.

Q. Are you pretty famaliar with Mr. Aldrich's handwriting?

A. I am.

Q. Have you any other specimen of his handwriting except the one on this assignment?

A. Yes, sir.

Q. Will you produce one?

(Witness here produces a letter signed by Mr. Aldrich).

Q. Mr. Bishop, I would like to have you read the endorsement upon the back of Certificate Number 20,022 if you will?

A. The Michigan Savings & Loan Association of Detroit, Michigan.

No. of Certificate 20,022. No. of shares 3.

Amount \$300 at maturity.

Shareholder, Ralph L. Aldrich.

City or town, Detroit. County, Wayne. State, Michigan.

Date of issue, March 1, 1901.

In writing secretary of company always mention certificate number.

Q. Now, will you read the endorsement on the back of certificate number 8,605?

A. Certificate number 8,605. 20 shares. 134th Series The Michigan Savings & Loan Association to E. W. Bishop of City of Muncie, County of Delaware, State of Indiana. Weekly installment \$10.00. Date of issue January 1, 1901.

Q. All the writings that are on these certificates were on when they were handed to you, were they not?

A. Yes, they were, except what the notary—or stenographer put on there.

Q. That's the number of exhibit?

A. Yes, sir.

Q. I suppose Mr. Aldrich made out this assignment when he came down here?

A. Yes, sir. He delivered it to me in that way.

Q. You don't know where that was made out?

A. No, sir, I do not.

Q. Mr. Bishop, will you look at your name upon certificate number 8,605 in the body of it and the balance of the writing except the signatures and tell me whether or not that is Mr. Aldrich's handwriting?

A. No, sir, it is not.

Q. Are you sure of that, Mr. Bishop?

A. Well, now, I wouldn't take it to be his handwriting at all.

Q. What do you say about the endorsement on the back of the same certificate?

A. That doesn't look like his writing.

Q. I will ask you to compare the letters in the word "Bishop" on the back of number 8,605 with the letters in the word "Bishop" as written out by Mr. Aldrich on the assignment of the certificate?

A. They don't look alike at all.

Q. They don't look alike?

A. No, sir.

Q. Isn't the only difference that one is written with a stub pen and the other with a pointed pen?

A. No, sir, I think not. The "e" in Edward is not alike; it starts here from the bottom and ends here with a cross—

Q. Well, but the word "Bishop" I am asking about, now is that written in the same way?

A. No, sir.

Q. You think not?

A. I think not.

Q. I will ask you, Mr. Bishop, to look at the name of Mr. Aldrich in the body of certificate number 20,022 and see whether or not that is his writing?

A. No, sir.

Q. You think it is not?

A. I think it is not.

Q. And what would you say of his name in the endorsement of the same certificate?

A. You mean the title?

Q. Yes.

A. It's different.

Q. Will you compare it with the signature to the assignment?

A. Some similarity about it, but then the letters are not alike.

Q. There is considerable similarity in the method of form, is there not?

A. No. The "B" is entirely different and the "c" is entirely different, and the "A" is the only thing that I see that is much favorable—that favors it.

Q. Does it look to you like the difference between a man writing in a hurry and a man writing carefully?

A. I don't think there is much comparison between them.

Q. You don't think so?

A. No, sir.

Q. Mr. Bishop, the only money that you are out in this transaction consists of telephone charges for long distance messages and such taxes as you may have paid on account of owning this stock, is that true?

A. That is right, yes, sir.

Q. Is it true that immediately after you signed the bill of complaint it was spoken of in the newspapers?

A. Yes, sir.

Q. And for that reason you felt bound to declare it in your tax returns?

A. Well not that entirely, but because I had the stock and they had the value to them.

Q. I suppose that you thought you owned the stock and they had their value?

A. Yes, sir. In consideration of signing the bill and for the purpose of signing it.

Q. That is the only monies that you have paid at all on account of having received the stock?

A. That was all.

Q. When did you first hear that there appeared on the books of the association an item of ten dollars paid upon the installment stock?

A. I have never been aware of that.

Q. You have never been aware of that?

A. No, sir.

Q. At any rate if there is such an item you didn't pay it yourself?

A. No, sir.

Q. And do you know yourself as to whether in fact any sum was ever paid for the other stock?

A. I do not know.

Q. If there was any you did not pay it?

A. No.

Q. Nor did you pay Mr. Aldrich anything for either of these certificates?

A. No, sir, not in cash.

Q. Or in property?

A. No, sir.

Q. The reason—the consideration for your receiving them was that you should sign the bill of complaint?

A. Yes, sir, had to be a stockholder.

Q. So as to make you a stockholder to do it?

A. Yes, sir.

Q. And because you were a non-resident of the State of Michigan?

A. Yes, sir.

Q. Since you signed the bill of complaint you have taken no further action of any kind?

A. No, sir.

Q. You did not endeavor to prove your claim or anything of the sort?

A. No, sir.

Q. Now, what you told Mr. Corliss, Mr. Bishop, was nothing more or less than the exact truth, was it?

A. It was the truth.

Q. And when he sent you this affidavit you signed it here in your own office?

A. I did.

Q. And swore to it before Miss Hawks, the notary here?

A. I did.

Q. And was there anything in that affidavit that was not the truth as you knew the facts?

A. It was as I understood it.

Q. And when you told Mr. Corliss that you were out a nominal sum you meant the cost of two telephone messages to Detroit and such sums as you had paid in taxes, and by taxes you refer to taxes here in the State of Indiana?

A. Yes, sir.

Q. And do you have any knowledge of this St. Paul concern who was trying to buy your stock?

A. No, sir. Just some individual there I suppose. I think that is all.

RE-DIRECT EXAMINATION.

By Mr. Paine:

Q. Mr. Bishop, did Mr. Corliss ask you if you wanted to sell your stock?

A. No, sir.

Q. If you had known that when Mr. Corliss asked you for your affidavit that it was for the purpose of destroying your bill, would you have signed it?

By Mr. Moody: I object to the question for the reason that it is incompetent and immaterial.

A. If I had thought——

Q. That it would destroy the effect of your bill of complaint in this cause, would you have signed the affidavit?

A. Not without consulting some one else regarding it, I would not.

Q. When you were told by Mr. Corliss in his letter to you that he wanted the affidavit to corroborate with Mr. Aldrich, you thought that you were acting in Mr. Aldrich's interest, did you not?

By Mr. Moody: I object for the reason that it is incompetent, immaterial and leading.

A. Well not entirely.

Q. Did you think you were acting against Mr. Aldrich's interests?

A. No, I didn't think it would effect him any, as it was material facts.

Q. If you had known that it would have been used as an attack on Mr. Aldrich, would you have signed it?

A. Not if I thought it was going to injure him I would not have signed it.

Q. Now, Mr. Bishop, you say you have done nothing more since you signed the bill. Let me refresh your recollection. Don't you remember that a petition was filed to set aside the judgment of the Standard Savings and Loan Association in this matter and that you signed an answer in reply to that petition, and don't you remember that you have signed some other papers which were filed in the cause?

A. Don't remember now.

Q. At any rate, the record will show such papers as you may have signed in the cause.

A. I suppose so.

Q. You don't mean to say that you may not have signed any papers, but you mean to say that you don't recollect?

A. Yes, sir.

Q. You are still the owner of these certificates of stock that were delivered to you when you signed the bill or before?

A. I am.

Q. And you have prepared a proof of claim on it?

A. I haven't filed it yet.

Q. But intend to file it?

A. Yes, sir.

By Mr. Paine: I wish to make a general objection here to be considered as made in time for the reason that I didn't wish to interrupt the examiner. Now as to all testimony as to the purpose or object of delivering or assigning the certificates of stock to E. W. Bishop and the intent with which it was done, and I move as incompetent, irrelevant and immaterial for the reason that the purpose, object and intent has nothing whatever to do with the question of jurisdiction, and for the further reason that the respondents cannot raise the question of jurisdiction and I move for the reasons aforesaid to strike out all such testimony.

RE-CROSS EXAMINATION.

By Mr. Moody:

Q. Mr. Bishop, if you did not take any further action in the matter in the way of signing answers or any other proceeding, it was at the request or direction of Mr. Aldrich?

A. They were.

RE-RE-DIRECT EXAMINATION.

By Mr. Paine:

Q. Have you had any solicitor in this matter?

A. All my business came through Mr. Aldrich.

Q. But when Mr. John D. Conely signed your bill and backed it up, you ratified that, did you not?

A. I presume so.

Q. You don't mean to deny his authority to represent you, do you?

A. No, I didn't; as it was, Mr. Aldrich's choice or through his recommendation at least that he was named in the complaint.

RE-RE-CROSS EXAMINATION.

By Mr. Moody:

Q. Did you personally have any dealings with Mr. Conely?

A. No, sir, I did not.

Q. Whatever dealings were had were through Mr. Aldrich?

A. Yes, sir.

Q. Mr. Bishop, will you look at the face of those two certificates and the handwriting in the endorsement and

just tell me whether they are the same handwriting with the exception—

A. This endorsement you mean?

Q. Take the handwriting in the body of the Certificate No. 20,022, with the exception of the officers' signatures, and compare it with the handwriting in the endorsement itself and see whether the handwriting is not the same?

A. Yes, sir, that's the same.

Q. And will you do the same thing with the other certificate?

A. No. 8,605. This is the same.

RE-RE-RE-DIRECT EXAMINATION.

By Mr. Paine:

Q. Mr. Bishop, I want to ask you a question or two. Are you a Mason, Mr. Bishop?

A. I am.

Q. What degree?

A. Knights Templar.

Q. Did Mr. Corliss talk Masonry to you?

A. Yes. I spoke of it to him first.

Q. Why?

A. Because I saw a ring on his finger, thirty-third degree; then he had a Knights Templar charm and also a shrine in his coat.

Q. You had a social talk on Masonry before you began this business?

A. No, sir, after we got through the business.

Q. You knew he was a Mason when he presented his letter of introduction to you, did you not? Saw that he was?

A. Yes. Just had an idea he was by the emblems he wore. The thirty-third degree reminded me most on account of my brother being a thirty-third degree Mason. He lived at Dayton, Ohio. Just a few days before that my brother's wife died and the ring she had was turned over to her son. I had that in mind first at that time, was the reason I spoke of the thirty-third degree part.

Q. Did you make this affidavit in this cause to help a brother Mason?

A. You mean Mr. Aldrich?

Q. No. I say did you make the affidavit in this cause to help a brother Mason?

A. I did not.

Q. And that did not enter into your motive at all?

A. No, sir, it did not. As I stated, it was to corroborate what Mr. Aldrich had said.

Q. Because you thought it corroborated Mr. Aldrich?

A. Yes, sir, as I had given the facts to me.

Q. That was your sole reason for doing so, simply to corroborate with Mr. Aldrich?

A. Yes, sir, as the letter stated as you have there in testimony and I didn't see no harm in doing it.

Q. You didn't ask why your affidavit should be requested or for what purpose?

A. Only as stated before.

Q. You did not? I mean you did not ask?

A. I did not ask, no.

Q. You did not know; that is correct, is it not, for what purpose this affidavit was requested?

By Mr. Moody: I object for the reason that it is incompetent and immaterial and is cross-examination and not direct examination of his own witness.

A. I didn't know that it was to be used for anything else.

RE-RE-RE-CROSS EXAMINATION.

By Mr. Moody:

Q. Mr. Bishop, Mr. Aldrich is also a Mason, is he not, in the Knights Templar?

A. I am not positive about that. If he is it has been since he left Muncie.

Q. Is there anything in the fact of your and Mr. Corliss being brother Masons that would lead you in any way whatever to vary from the exact truth?

A. Nothing at all. That's one of the main teachings of Masonry, is truth.

Q. And what you stated in that affidavit that you signed was true of your own knowledge, was it not?

A. Yes, sir.

RE-RE-RE-DIRECT EXAMINATION.

Q. Mr. Bishop, the facts set forth in this affidavit here got from you by Mr. Corliss on his first interview with you, were they not?

A. No, sir, all those facts were not given by me first.

Q. As I understand it, it was after the examination of Mr. Aldrich in Detroit at the time he was examined that this affidavit was drawn up and as stated in that letter you told Mr. Corliss these facts, did you not, when he came to see you?

A. Not all of them.

Q. The most of them?

A. A great many of them I did.

Q. At any rate it was prepared without any further talk with you by Mr. Corliss?

A. It was.
That is all.

EDWARD W. BISHOP.

Subscribed and sworn to before me this the 11th day of February, 1909.

NORENE HAWK,
Notary Public.

(Seal)

My commission expires Sept. 7, 1910.

STATE OF INDIANA,
COUNTY OF DELAWARE—SS.

I, Norene Hawk, a Notary Public in and for the County of Delaware, State of Indiana, do hereby certify that the foregoing deposition of Edward W. Bishop was taken in the above entitled cause before me, at my office, in the City of Muncie, State of Indiana, on the part of and at the request of the petitioners in said cause, and for the reason that the said witness lives more than one hundred miles from the City of Detroit, Michigan, place of trial of said cause. That the said deposition was taken at the time and place specified in the notice of taking said deposition, served upon the respondents' solicitors, varied only by the adjournments mentioned in the body of the deposition and at the beginning thereof.

The said deposition was taken pursuant to a notice, a copy of which is hereto attached. A proof of service of said notice on the solicitors for the respondents in said cause is hereto attached.

Mr. DeForest Paine appeared for the petitioners on the taking of said deposition; the said respondents were represented at the taking of said depositions by Mr. Paul B. Moody.

The manner of taking said deposition was as follows: Said witness was by me first duly cautioned and sworn to testify the whole truth; and further sworn to tell the truth, the whole truth and nothing but the truth concerning the matter at issue in the cause, and was then orally examined by said DeForest Paine on behalf of the petitioners, and cross-examined by Paul B. Moody on behalf of the respondents.

The questions propounded to the said witness and his answers thereto were taken down stenographically, and the said stenographic notes afterwards carefully and correctly transcribed under my direction.

I further certify that after the said stenographic notes were transcribed, said witness thereupon read over his deposition, made oath and subscribed the deposition, and the same was attested by me; and I further certify that the deposition as herein transcribed and subscribed is correct.

I do further certify that I am not of counsel or attorney for or related to either of the parties in said cause, nor in any manner interested in the event of the cause; that I have retained the said deposition for the purpose of sealing the same and sending the same by United States mail to the Clerk of the Circuit Court of the United States for the Eastern District of Michigan, at Detroit, Michigan.

My fees for taking the depositions are \$8.50.

Dated, signed and sealed with my official seal this 11th day of February, A. D. 1909.

NORENE HAWK,
Notary Public,

Delaware County, State of Indiana.

My commission expiress Sept. 7, 1910.

United States of America,
Eastern District of Michigan—ss.

I, Walter S. Harsha, clerk of the Circuit Court of the United States for the Eastern District of Michigan, do hereby certify that the above and foregoing is a true copy of deposition of Edward W. Bishop in the therein entitled cause as the same appears on file and of record in my office; that I have compared the same with the original, and it is a true and correct transcript therefrom and of the whole thereof.

In testimony whereof, I have hereunto set my hand and affixed the seal of said court, at Detroit, in said district, this 8th day of March, in the year of our Lord one thousand nine hundred and nine, and of the Independence of the United States of America the one hundred and thirty-third.

WALTER S. HARSHA,

(Seal.)

Clerk.

EXHIBIT D.

The Circuit Court of the United States for the Eastern District of Michigan, Southern Division, in Equity.
To the Honorable, the Judges of said Court:

1. Your orator, Ralph L. Aldrich, Receiver of the Michigan Savings and Loan Association, brings this his bill of complaint as such Receiver against John E. Clark, Frederick B. Wemple, Butler Ives, Thomas F. Hancock, John B. Corliss, William A. C. Miller, George L. Maltz, citizens of the State of Michigan and residents of the Eastern District of Michigan, and

2. Samuel G. Burkhead, Jeanette K. Forrest, Bethune Duffield, George W. Colwell, Charles T. Cook, Louise M. Gardner, Richard Conner, J. Frederick Schmidt, J. Fred Hoelzle, Eliza A. Fish, Nina L. Crowell, William H. Brigham, Abiram A. Parker, William P. Van Winkle, Julius Ehlke, Jr., Arthur Bunton, Mary E. Garlick, Charles F. Kelley, Edward E. Ryan, William H. Ambler, Adelia R. Carpenter, Morris Alpern, Casper Alpern, Henry J. Eberhart, James H. Gibbs, Magnus Anderson, Nora Coffa, Anna Fauser, Jacob Buehrle, John E. Lee, Mary A. Hyde, Joseph K. Holland, Margaret F. Hadley, Frank E. Wright, Samuel Bachand, James E. Davidson, William E. Bradley, Hannah Henderson, Seth R. Cole, Joseph Grimore, George W. Wagner, John O'Brien, J. Fred Weurth, Fannie Wemple, Jennie Fern, Orrin Bump, John W. Heisner, Peter Leszeyanski, Fannie Hancock, William J. Reynolds, William R. Wilson, Gust. V. Vallenberg, Edward L. Park, Frank M. Ottenger, George Weurth, Morris Robinson, Paul Plessner, Rosie Kaumeyer, William Kaumeyer, Thodore Young, Frank R. Boyd, Mary Hyde, Charles W. Sanford, Anna E. Boyd, William H. Little, Henry Coles, Maggie A. Walsh, Otto Kaumeyer, Hugh Ballentine, Herman Gushe, Paul Plessner, Hannah Henderson, Robert Armstrong, James S. Galloway, Richard Scholes, Martin E. Galvin, John Kaiser, New Haven Banking Company (Corporation), Lee Amberg, Fanny Amberg, The First National Bank of Bay City (a Corporation under the laws of the United States), Rebecca Wray, John F. Cartwright, Anna R. Jones, Nicholas Althaver, Kittie A. Brown, Clarence C. Beatty, Christian Houk, William Kitt,

George W. Scott, Sarah Taylor, William McCardle, George E. Turner, Helen A. Miller, Edgar G. Emmons, William R. Adams, Milton F. White, Laura Blount, Louise M. Gardner, Peter McDuff, Charles E. Osborne, Mary Edwards, Paul Rauss, Fred J. Carter, Frank G. Seaman, Fred O. Waldo, Robert Armstrong, August P. Vier, citizens of the State of Michigan and residents of the Eastern District, and

3. John M. Cadzow, John K. Wright, George G. Barrett, Delos F. Diggins, Eugene D. Russell, Charles Healy, Ira A. Clark, Richard Venn, Frank Powler, Bates G. Burt, Gretchen Fox, John W. Whiteside, George L. Loope, Fred Houck, Ole Hoyd, Mary Schwendeman, James E. Bean, Dan E. Amos, Mary F. Ely, George D. Fisher, Frank Healy, William London, Nels Brink, James R. Oakes, Milton F. White, John K. Wertin, Helen A. Miller, Frank Martinek, Ludwig Kallin, Elizabeth Hickory, William Thomas, James R. Dee, John Lindberg, Sarah Taylor, Peter Stromberg, William McCardle, William K. Wright, Donald E. Sutherland, Jane Owen, George H. Schobert, Edbert S. Schermerhorn, Thomas Cornish, William Kitt, Victor Corignor, George W. Scott, Peter E. Swanson, William T. Dodge, John C. Ryan, Phillip Secor, William R. Adams, Rachel E. Moorman, Joseph Farrand, Richard Banfield, William J. Carl, Joseph Carmichael, Thos. H. Gillespie, John H. Krier, Herbert R. Glenn, Edward Bowden, Lucien B. McClear, Belle Pulver, Joseph Farrand, Phineas Farrand, Cora B. Thompson, Anna Kincaid, Helen M. Anderson, Charles H. Lilly, Fred F. Ambrose, Edward M. Mullin, Charles A. Hanscon, Edgar G. Emmons, John T. Reeder, Eric J. Quarnstrom, Clarence E. Smith, Eugenie F. Zannella, citizens of the State of Michigan and residents of the Western District, and

3A. Robert T. Gray, of Detroit, Michigan, administrator of the estate of George H. Scripps, deceased. The Sun Stove Company, a corporation under the laws of Michigan, defendants, and complaining says:

4. On or about March 30th, A. D. 1901, Edward W. Bishop filed his bill of complaint in said court against the Michigan Savings and Loan Association and George Lord, alleging among other things the insolvency of said association and praying the appointment of a Receiver to wind up its affairs. April 11th, 1901, your orator was appointed by said Court by an order entered in its records, Receiver of said association and its property,

and directed to take possession of all the property, rights, securities, moneys, books, choses in action and assets of said association, and to collect and reduce the said assets to cash. And to that end (upon being directed or permitted by the Court) to bring such suits as might be necessary to collect the same. Your orator duly qualified as Receiver on or about the 11th day of April, 1901, took possession of the property of said association and since has been and now is acting as such Receiver. Reference is made to the record and files in said cause for certainty.

5. Afterwards and on the 30th day of June, A. D. 1903, your orator filed his petition in said cause, asking authority to sue the defendants in this bill of complaint named, and to file this bill and prosecute this suit in his own name, and thereupon by an order duly made and entered the said Court authorized and directed your orator to file this bill and prosecute the suit thereon in his own name.

6. The said Michigan Savings and Loan Association is a corporation duly organized under the laws of the State of Michigan (Act 50 Public Acts 1887), as a mutual building and loan association. Its object was as stated in one of its by-laws,

"to afford its members a safe and profitable investment for their savings and to aid them in the purchase and improvement of real estate,"

and it was organized with that object and, in the language of the statute governing it,

"for the purpose of building and improving homesteads and loaning money to the members thereof only."

Its authorized capital stock was twenty-five million (\$25,000,000.00) dollars, divided into shares of one hundred (\$100) dollars each.

It began business on or about the 18th day of October, A. D. 1889, in the city of Detroit, Michigan, and continued until on or about the 11th day of April, 1901, when business ceased; and said corporation being insolvent a Receiver was appointed as hereinbefore stated.

Before beginning business and pursuant to the laws of said state, the persons authorized to receive subscriptions to the capital stock of said association, filed in the office of the Secretary of State, a copy of the by-laws adopted by said association. The said by-laws with the

amendments thereto, are hereto attached, made a part hereof, and marked Exhibit A.

7. The said association issued what was known as installment stock, paid-up stock and fixed dividend stock.

The installment stock was issued in monthly series (for the most part and up to a short time before the said association closed its doors) payable some of it one (\$1.00) dollar a month and some of it (50) fifty cents a month; ten per cent of such payments were for the expense account. Each series was issued separately, and was to mature separately, and when the payments and earnings should raise the stock to par. The paid-up stock was such as was paid for in advance in one sum fixed by the association, at one time at fifty-six (\$56.00) dollars per share, at another time at sixty-six (\$66.00) dollars per share. The fixed dividend stock was that for which par or one hundred dollars (\$100.00) per share was paid to the association on the agreement by it to repay the sum at a fixed time or on or before a certain day with interest; some of it bore interest at eight (8%) per cent per annum, some of it at seven (7%) per cent per annum, and some of it at six per cent payable semi-annually. Later and after January 1st, 1900, said association issued a stock at sixty-five dollars per share called pre-paid installment stock. It was interest bearing coupon stock. The terms of the certificates issued for said several kinds of stock are more fully set out in paragraph 34 of this bill; and copies of the said certificates are hereto attached, made a part hereof and marked, that of the installment shares "Exhibit B," that of the paid-up shares "Exhibit C," that of the fixed dividend "Exhibit D," that of the prepaid installment "Exhibit E." The said association began the business for which it was organized with five hundred and forty-five (545) shares subscribed.

December 7, 1890, there had been paid in on installment and paid-up stock	\$114,117.40
And by December 31, 1895, when the directors of said association declared series one and two matured and paid the same as hereinafter related, the sum paid in on installment and paid-up stock was	532,141.98
and on fixed dividend stock.....	136,800.00

Total	\$668,941.98
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June 30th, 1896, the liability of said association for

principal paid in on installment and paid-up stock was,
to-wit:

Installment	\$496,268.03
Paid up	36,932.89

\$533,200.92

On fixed dividend stock, to-wit.....	122,600.00
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Total	\$655,800.92
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June 30th, 1897, on installment and paid-up stock:

Installment stock	\$415,317.25
Paid up	15,151.16

\$430,468.41

On fixed dividend stock	218,750.00
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Total	\$649,218.41
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And on June 30th, 1898, on installment.....\$288,452.31

Paid-up stock	2,923.04
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\$291,375.35

On fixed dividend stock	221,960.00
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Total	\$513,335.35
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On June 30th, 1899, on installment stock.....\$212,374.16

Paid-up stock	3,970.15
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\$216,344.31

On fixed dividend stock.....	236,325.00
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Total	\$452,669.31
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On June 30th, 1900, on installment stock, to-

wit	\$157,759.69
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And paid-up stock	153,072.64
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\$310,832.33

On fixed dividend stock, to-wit.....	232,828.00
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Total	\$543,660.33
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At the last above date prepaid installment stock had been issued and was carried in the figures of paid-up stock as they appear above.

On April 11, 1901, on installment stock, to-

wit	\$172,091.51
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And paid-up stock, to-wit.....	114,911.94
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\$287,003.45

On fixed dividend stock, to-wit.....	240,495.00
Total	<u>\$527,498.45</u>

8. By the law under which said association was organized it is provided that the corporate powers shall be exercised by a board of directors, and that the officers of the corporation must be members of the board of directors and shall consist of a president, vice-president, secretary and treasurer, and such other officers as may be provided for in the by-laws of such corporation or association.

The defendants, John E. Clark, Frederick B. Wemple, Butler Ives, Thomas F. Hancock, John B. Corliss, William A. C. Miller, George L. Maltz, were directors of the said Michigan Savings and Loan Association for and during the periods of time stated below, viz:

Frederick B. Wemple, from October 11, 1889, until the association closed its doors April 11, 1901.

Butler Ives, from May 10, 1890, until April 11, 1901, except July, August and September, 1890.

John E. Clark, from September 30, 1890, until November 20, 1900.

John B. Corliss, from October 30, 1890, until January 18, 1899.

George L. Maltz, from January 21, 1893, until December 3, 1897.

Thomas F. Hancock, from January 15, 1898, until April 11, 1901.

William A. C. Miller, from January 15, 1898, until July 6, 1898.

All said directors were shareholders in said association during the time they were directors respectively.

9. Ozias W. Shipman was a director and president of said corporation from the organization down to the time of his death, on or about January, 1898. His estate is closed. Nathan G. Williams was also a director from January, 1893, to on or about September, 1896, when he died; his estate is also closed.

10. The by-laws provided that there should be seven directors, but for two years before the said corporation passed into the hands of said Receiver there were but four some of the time, said Clark, Hancock, Ives and Wemple, and only three part of the time, said Ives, Wemple and Hancock; said Clark resigned November 20, 1900. An effort was made to get others to act as direc-

tors and C. Henry Leonard, Rodney G. Hart and Bertram C. Robbins were elected at different times in 1900 and 1901, but refused to act.

11. February 20, 1898, said John E. Clark was elected president and acted as such until November 20, 1900. From that time on there was no president. Said Frederick B. Wemple was elected secretary of said corporation some time prior to June 21, 1890, and was continued uninterruptedly in that office or employment by the directors, and acted as such secretary down to the 11th day of April, 1901. Said Butler Ives was elected treasurer May 10, 1890, and performed his duties as such for a short time only, when he abandoned them as will hereinafter appear; but the said directors elected no other treasurer, nor did any of them. Nominally said Ives was treasurer from May 10, 1890, until April 11, 1901. Said Thomas F. Hancock was vice-president from.....1898, until April 11, 1901.

During the time he was a director as aforesaid defendant John B. Corliss was the attorney of said corporation, and continued as such until April 11, 1901.

12. It became and was the duty of said directors:

a. Diligently and honestly to administer the affairs of said association; and to see that its business was prudently conducted.

b. To employ none but honest and competent persons to serve as officers of said association; and diligently to see that unfaithful or unreliable officers or employees were not kept in position of trust, confidence or control.

c. To take from the secretary and from the treasurer of said association sufficient security for the faithful performance of their duties;

d. To make diligent effort to see that proper, true and correct books of account were kept of all the affairs, business and transactions of said association, proper methods of business followed and proper examinations made from time to time of such books and methods.

e. To exercise due and careful supervision over the officers and employees of said association and over the conduct of its affairs.

f. From time to time to make proper examinations of the assets of said association.

g. To act within the corporate powers of the association and not to divert or invest its funds in ultra vires transactions.

h. To make diligent effort to see that no loan was made on inadequate security.

i. To enforce and obey the by-laws of said association.

j. Whenever making or causing to be made the annual report to the Secretary of State of the resources and liabilities of said association, diligently to see that it exhibited in the manner and form required by law the true condition of said association.

k. Whenever making or causing to be made for publication and publishing in the newspapers the statement required by law to be so published by such association at the close of each business year, to diligently see that such statement set forth the actual financial condition of the association, and the amounts of its property and liabilities, and that such statements were in no way untrue or misleading.

l. During the time the association continued in operation to permit no one to withdraw more than his rightful share of the capital.

m. To pay a series of stock only when it matured; that is to say, when the contributions to that series together with the earnings raised the shares of that series to par.

n. To pay withdrawals only after proper notice, and then only when the association was solvent; and there remained the proportional share of the other stockholders.

o. To pay no moneys to stockholders after the association became insolvent, but to take steps to wind it up.

p. To examine the affairs, assets and condition of said association, and if losses had occurred to take steps to prevent further losses.

q. And generally to administer the business and affairs of said association diligently and prudently, giving due attention to the interests of the shareholders and others having relations with the association.

13. The said defendants, John E. Clark, Frederick B. Wemple, Butler Ives, John B. Corliss, George L. Maltz, Thomas F. Hancock, William A. C. Miller, knew or had ample opportunity and facility for learning and knowing the real condition of the affairs of said association, and had sufficient means of performing their duties as directors thereof faithfully, carefully, diligently and successfully, and had they exercised the authority with

which they were clothed and performed the duties which they voluntarily assumed as such directors with due care and diligence, they would have prevented the greater part of the losses of the said association and its final failure.

14. The defendants named in the preceding paragraph gave out and pretended that they had performed and were performing their duties as directors with due care and diligence, and by reports signed and verified by the secretary and treasurer, to the Secretary of State of Michigan, and by statements of the financial condition of said association published in the newspapers in the city of Detroit, in said state, and in other ways represented that said association was sound financially, that the capital was unimpaired and that it had large earnings.

15. Many shareholders relied upon such representations and pretenses of said directors, and believed that said directors had performed and were performing their duties as such, and that the condition and affairs of said association were as represented by said last named defendants in said reports and otherwise, and many persons so relying and believing subscribed for the shares of said association and suffered the said defendants to have and retain the management, direction and control of the business and affairs of said association.

16. But the said defendants named in paragraph thirteen failed and neglected to perform their duties as directors of said Michigan Savings and Loan Association, with due care and diligence; they negligently omitted to give due and proper attention to the business of said association, and the care and management of its affairs, misused the funds and property of said association, and in many ways violated their duties and the law relative to the matters they had in charge, in consequence whereof the business of said association was ruined, it suffered large losses and it was rendered wholly insolvent, and its shareholders injured as herein set forth.

17. The said defendants named in paragraph thirteen (13) were guilty of wilful violation of duty or culpable neglect in the following particulars among others:

a. They did not diligently and honestly administer the affairs of said association or see that its business was prudently conducted; on the contrary, they misused

and misapplied the funds and property of said association and negligently permitted its property and effects to be misapplied, wasted and squandered; they employed for years and down to the day the said association closed its doors, a dishonest and incompetent secretary; they were for years immediately preceding the appointment of your orator as Receiver, guilty of imbecile inattention to its affairs and reckless negligence; they did not take or require from the secretary or from the treasurer any bond or bonds or other security for the faithful performance of his duties; they did not keep and they made no effort to see that there was kept correct books of account, or that proper methods of business were followed, nor did they examine the assets of said association, nor did they have proper examinations of the books made; they took no steps to ascertain if losses had been incurred or to prevent further loss; they did not exercise due and careful supervision over the employees and officers of said association and over the conduct of its affairs; they did not act within the corporate powers of said association; on the contrary, they acted outside of them as hereinafter stated; among other acts ultra vires they subscribed in behalf of the corporation to the stock of another building and loan association and agreed to pay for it; they did not make diligent effort to see that no loan was made on inadequate security; on the contrary, they made loans to irresponsible persons on inadequate security; they did not enforce or obey the by-laws of said association; they did not diligently see that reports were made to the Secretary of State exhibiting the true condition of said association, nor did they diligently see that the statements required by law to be published in the local newspapers set forth the actual financial condition of said association. On the contrary, they negligently permitted to be made reports to the Secretary of State which were false and misleading, and did not state the true condition of said association, and they negligently published or permitted to be published in the local papers statements that did not show the actual financial condition of such association, but were false; they paid stock as matured when it was not matured; they paid moneys to withdrawing stockholders who had not given proper notices of withdrawal, and canceled their stock; they paid moneys to withdrawing stockholders, the principal paid in by them and interest thereon, after and when the association was insolvent, and cancelled the stock; they permitted shoreholders to with-

draw more than their rightful share of the capital; they did not hold the stated meetings required by the statute and the by-laws; they paid no attention to the by-law providing for an expense fund, but recklessly violated it and used a part of the loan fund for expenses, and violated other by-laws; they employed a person for president who gave no attention to the affairs of the association, or such as only a dishonest secretary dictated or prescribed; they accepted the false statements of said secretary as to the condition and affairs of said association without examination as to their truth or correctness; they negligently permitted the payment of money on withdrawals hereinbefore specified without knowing or seeking to know the true condition of the association; when the association was insolvent they borrowed money and paid seven per cent interest, which money was used to pay withdrawing stockholders and other stockholders who claimed their shares were matured and demanded their money, all of whom were paid more than their just share of the assets.

b. They did not exercise due care in the selection and retention of the officers of the association and other employees, and did not diligently see that unfaithful or unreliable officers, clerks or employees were not placed or kept in positions of trust, confidence or control; on the contrary, they were so neglectful of their duties as directors and so delinquent in the management of their trust that for a long time they permitted the officers to have control of the affairs of the association and its funds and property, and to use and lend them as they saw fit, and according to their own pleasure, and afterwards and for several years immediately prior to the day the said association closed its doors they abandoned its management and the care and custody of its moneys and funds to said officers, and more particularly to said secretary; all of said officers mismanaged and misapplied its funds and made careless and improper use thereof, and the said secretary wasted and squandered them, speculated in and with the securities and stock of the association, issued its obligations to secure his private debts and converted a part of its funds to his own use, by reason whereof the said association and its shareholders suffered large loss.

c. For some three or four years prior to the appointment of a Receiver the said directors, defendants herein, seldom met, and evidence of their conduct in this respect

is in their own records in the resolution of which this is a copy:

"Meeting of the board of directors of the Michigan Savings and Loan Association, held at the office of the association May 20, 1898, at 11 a. m.

Present: Directors Clark, Ives, Hancock and Wemple.

Resolved, That owing to the failure of the members of this board to meet for a consultation, it has become necessary for the president and secretary to conclude certain transactions such as discharging mortgages and acceptance of drafts, etc., and being apprised of these transactions, we hereby ratify the same to date.

Carried.

On motion the board then adjourned.

F. B. WEMPLE, Sec'y."

While the said Clark, Hancock and Ives were respectively president, vice-president and treasurer for the time aforesaid, they did not perform the duties pertaining to their offices respectively, and practically left the whole management of said association and the custody and control of its funds to said defendant Wemple. For a while said Ives acted as treasurer, but for several years prior to April 11, 1901, he had no account as treasurer; he left the funds in violation of his duty, in the control of the secretary, and signed such checks and other papers as the secretary requested and directed, without inquiry, without question.

The by-laws required the treasurer to pay out the funds on the order of the president and secretary, countersigned by the auditors; he abandoned control of the funds and paid no attention to the said by-laws. The said president and vice-president left their duties as such unperformed, and such acts as they did perform were at the dictation of said secretary, who considered and treated them as mere figureheads; they, as well as the auditors, when there were any (for much of the time there were no auditors) signed such papers and vouchers as said secretary directed them to sign and were dominated by him; all this said directors, defendants, knew or ought to have known.

18. Some time in the year 1891 the said defendants, Clark and Wemple, then directors in said association, said Wemple being then its secretary, joined with John H. D. Stevens, Samuel L. Jacques and C. Henry Leonard

in organizing a corporation under the laws of Michigan named "The Gogebic Improvement Company." The purpose of this corporation as stated in its articles, was to lay out, plat, improve and sell or lease lands, and build, sell or lease houses or other structures. The capital authorized was fifty thousand dollars, divided into two thousand shares of twenty-five dollars each. Five thousand dollars was paid in. The said Clark and Wemple each subscribed for four hundred shares, as did each of their said associates. The principal office of the corporation was in Detroit, Michigan, and the business was to be carried on in the counties of Gogebic and Ironwood in said state. The incorporators were named as directors.

Soon after said corporation was organized the said Michigan Savings and Loan Association loaned its moneys from time to time aggregating the sum of, to-wit, \$13,180.01; the said Gogebic Improvement Company subscribed to the stock of said association and gave a bond and mortgage to it; the bond in the penal sum of ten thousand dollars signed "Gogebic Improvement Company, by F. B. Wemple, secretary, and by the said Clark, Leonard, Wemple and Jacques and one Lundy as sureties. Thirty-five hundred dollars was advanced by said Michigan Savings and Loan Association to the said Gogebic Company some fifteen days before the bond was executed. At the time the mortgage was given the property described in it was not worth more than four or five thousand dollars, and that now remaining as security is of value not to exceed two or three thousand dollars; there is due said association from said Gogebic Improvement Company about the sum of fourteen thousand dollars principal and interest, for which its security is said remaining mortgage property and said bond. The said sureties as well as said principal are insolvent except said Clark and perhaps said Leonard.

The said Gogebic Improvement Company was organized and its business carried on for and with the purpose, on the part of said Clark and Wemple, of enabling them to speculate with the funds of said Michigan Savings and Loan Association, and they did so speculate by and through said Gogebic Company. The said Clark now gives out and pretends that he is not liable on said bond, that he has a good defense thereto. Whether he has or not, and whether he pays the penalty of said bond or not, he was, as was said Wemple, unfaithful to his trust as a director of said Michigan Savings and Loan Association, to its loss and damage and that of the shareholders thereof.

19. Later, and in the year 1895, the said defendant Wemple organized and was largely interested in a corporation called the Home Building Company, under the laws of Texas, for the purpose of speculating in houses and lands in that state, and of using the funds of said Michigan Savings and Loan Association for that purpose.

There was loaned by said last named association to and for and on account of said Home Building Company, and for its use and benefit from time to time from its organization to on or about November, 1898, the sum of, to-wit, thirty thousand dollars (\$30,000) to the loss and injury of said Michigan Savings and Loan Association of the sum of, to-wit, ten thousand dollars.

One of the transactions was as follows:

A deed of certain vacant lots of the value of about three thousand dollars, was made by said Home Building Company to one W. A. Caruth, who the next day borrowed three thousand dollars of the said Michigan Savings and Loan Association on a mortgage covering the land, and the day after reconveyed the said land subject to the mortgage to the said Home Building Company.

There were other like transaction, and they were for the purpose of putting money into the treasury of the said Home Building Company. There were five incorporators, including said Wemple, and three of them were agents in Texas of said Michigan Savings and Loan Association, and the other, one Robbins, was speculating with said Wemple in other transactions as well as that of the Home Building Company.

The said Home Building Company would sell a lot and build a house on it for a certain sum, receiving a small cash payment and reserving a lien for the balance. The money on the lien would be obtained of the Michigan Savings and Loan Association, and was in many instances greater than the actual cost and value of the house and land in which the lien rested.

20. From the time said Michigan Savings and Loan Association began business until on or about the 31st day of December, A. D., 1895, it was a prosperous concern. Up to said last named date it had issued seventy-three series of installment shares numbered consecutively from 1 to 73, in sixty-three series of which were paid-up shares as well as installment shares, the whole number of installment shares outstanding on that date being, to-wit, 14,758, and of prepaid shares being, to-wit, 980, and of both in all the series being, and on which the liability of said association was \$532,141.98 for principal, besides the profits. There were in the first series seven

hundred and sixty-four (764) of installment shares, and one hundred forty-eight (148) of paid-up shares, and in the second series three hundred forty-eight (348) of installment shares and forty-five (45) of paid-up shares.

Upon most of the shares of installment stock in the first series seventy-two payments of ninety (90) cents each had been made by December 31, 1895, and seventy-one on most of that in the second series. At that date there had been paid out principally to holders of shares in the first and second series, \$35,196.13, which if added to the surplus of the association entered in its books at that date, viz., \$172,996.07, would make a nominal surplus of \$208,192.20, which belonged to all holders of installment and prepaid shares of record on that date.

Apportioning this, the share of the first series of installment stock was \$19,932.99, or \$26.09 per share, and that of the second series \$8,830.69, or \$25.38 per share. The earnings on shares in the first series was, per

share	\$26 09
Seventy-three installments had accrued.....	65 70

Total installments and accrued earnings.....	\$91 79
Less 1 payment .90 per share (not paid) less fine	
.10	1 00

Total of principal and earnings Dec. 31, 1895...	\$90 79
Paid	100 00

Over-payment per share.....	\$ 9 21
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At or about that date the defendants, who were then directors, declared the said first series matured and paid the same, viz., \$100 per share, and by so doing overpaid the holders of the said first series \$9.21 per share.

They also at or about that time declared the second series matured and paid the same, and the overpayment per share thereon is the sum of \$10.82.

Nearly all the paid-up stock outstanding at this date, viz.:

Dec. 31, 1895, had been sold at \$56 per share...	\$ 52 00
on account of principal, balance and expense account.	

The earnings on the first series amounted to, Dec.

-31, 1895, per share.....	41 30
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	\$ 93 30
Paid	100 00

Overpayment	\$ 6 70
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At or about that date the defendants, who were directors at that time, declared the said prepaid stock in said first series matured and paid the same, viz., \$100 per share, and in so doing overpaid the holders of said series \$6.70 per share.

They also at or about that time declared the prepaid stock in said second series matured, and paid the same, viz., \$100 per share, and by so doing overpaid the same \$7.21 per share.

The total overpayment on the foregoing two series of stock was the sum of \$11,786.45.

The foregoing figures are based on a division of the nominal surplus of the association as of the 31st day of December, 1895, when the said series were, or about when, they were paid. It assumes that all the assets were of the value shown by the books. No possible losses that may have occurred are considered or deducted. And it is made for the purpose of showing, as it does show, that assuming the said nominal surplus to be the real surplus, the shares of the first and second series had not matured, and that moneys belonging to the holders of the remaining series were paid the holders of said first and second series.

But the real truth is that there was in fact no such surplus to divide.

As early as November 30th, 1893, the process of padding had begun, which was continued to the end. On that day entries were made in the books whereby the apparent profits of the association were increased \$9,846.33, when in fact no moneys were received, and this sum was carried as an asset and entered into the said sum of the profits appearing in the books on the 31st day of December, 1895, when said series of stock was declared matured. As matter of fact, too, the said association had at that time suffered some loss which had not been deducted from its said apparent surplus, but which should be deducted, as well as said item of \$9,846.33, in order to find the real surplus on that day; and when so deducted it is apparent the overpayment on said shares of the first and second series will be increased.

At or about the time said first and second series of shares were declared matured and payable, there was not sufficient moneys on hand to pay the same, and the said directors, defendants, who were then managing said corporation, borrowed for the corporation on its obligation the sum of, to-wit, Fifty thousand dollars, in order to pay the shareholders in said series.

On December 31, 1895, there was also outstanding fixed dividend stock bearing interest upon which the liability

of said association for principal was the sum of \$136,800.00.

21. And so the said directors having once begun to pay stock as matured which was unmatured, and to use the moneys of the corporation for the benefit of one set of stockholders at the expense of another, continued to do so, and when they abandoned the management and control of the business as they did abandon it to the said officers, the said officers, and particularly said secretary, continued the practice.

Before July 1, 1896, the declared as matured and paid when they were unmatured, the third, fourth, fifth and sixth series, overpaying the holders of installment shares in the third, the sum of, to-wit, \$6.75 per share, those of the fourth, to-wit, \$7.65 per share, those of the fifth, to-wit, \$8.55, and those of the sixth, to-wit, \$9.45 per share; and overpaying the holders of paid-up shares in those series in the third, to-wit, \$6.75 per share, the fourth, to-wit, \$7.34 per share, the fifth, to-wit, \$7.94 per share; the total overpayment to the holders of said series being, to-wit, \$12,077.56. There then were in all in that series of installment shares, to-wit, 1,493, and of prepaid or paid-up shares, to-wit, 164 (which were also largely overpaid) and in both 1,657, and outstanding in all the series, to-wit, 13,963, on which there had been paid of principal, to-wit,

There were then also outstanding, to-wit, 1,226 shares of fixed dividend stock upon which there had been paid for principal to said association, the sum of, to-wit, \$122,600.

22. Afterwards and between June 30, 1896, and June 30, 1897, the said defendants, who were directors at that time, declared and paid as matured when they were not matured, ten more series of shares, being the seventh to sixteenth, both inclusive, to-wit, 3,034 of installment, and, to-wit, 390 of prepaid or paid-up shares. And in so doing overpaid the shares in those series, to-wit, \$24,604.91. These figures and those in the preceding paragraph are on the basis that the nominal profits for the respective periods and the book value of the assets were the real profit and the real value of the assets, but as matter of fact, they were not; there had been losses which should be considered and when so considered the overpayments on the series specified in paragraph 21 were much greater than therein set forth, and on the series in this paragraph mentioned in much more than \$24,604.91. There had been also made from December 31,

1895, down to the close of the periods named in the preceding and in this paragraph and thence on until the said association closed its doors, large payments to withdrawing shareholders who were not entitled to be paid the money received by them, and the assets were by this means also depleted and the overpayment to all said shareholders made greater than the series specified in said paragraphs.

23. From June 30, 1897, to June 30, 1898, there were declared matured either by the directors or the officers to whom they had abandoned the management of the association and paid from time to time when they were not matured, to-wit, five additional series, to-wit, from the seventeenth to the twenty-first, inclusive; the number of shares therein being, to-wit, 510 of installment and paid-up shares of the par of \$51,000. Up to June 30, 1897, there were according to the book entries up to that time, some profits to distribute. At the close of the year following, viz., June 30, 1898, there were not only no profits but there was a deficit of \$15,956.61. There were in said seventeenth series no paid-up shares; there were, to-wit, 50 installment shares. The holders thereof were overpaid the sum of, to-wit, \$11.05 per share. There were in said eighteenth series, 136 shares of installment stock, and the holders thereof were overpaid the sum of, to-wit, \$11.15 per share. In the nineteenth series there were of installment shares, to-wit, 103, and the holders thereof were overpaid, to-wit, \$12.23 per share. There were in the twentieth series, to-wit, 145 of installment shares, upon which the overpayment was, to-wit, \$12.79 per share, and in the twenty-first series, to-wit, 76 shares, upon which the overpayment was, to-wit, \$13.36 per share. The total overpayment on these series was, to-wit, \$6,198.50. The figures in this paragraph are also based on the books and made on the basis of the nominal profits therein shown, which were not, in truth, the real profits; the real profits were much less and the overpayment on said series was much greater than the figures above stated; the association was now largely insolvent, and had been from, to-wit, June 30, 1897; and had been insolvent from December 30, 1895, when its assets would not pay its liabilities to its stockholders.

24. From June 30, 1898, to June 30, 1899, there was declared matured and paid when they were not matured, viz., \$100 per share, four more series, viz., the twenty-second, twenty-third, twenty-fourth and twenty-fifth of installment shares, to-wit, 37 in the twenty-second, to-

wit, 38 in the twenty-third, to-wit, 11 in the twenty-fourth, and, to-wit, 8 in the twenty-fifth, in all, to-wit, 94. The overpayment on the twenty-second series was, to-wit, \$14.92, in the twenty-third, to-wit, \$15.41, on the twenty-fourth, to-wit, \$15.90, on the twenty-fifth, to-wit, \$16.22, computed on the same basis as the figures made in paragraphs 20, 21, 22, 23, and for reasons set forth in said paragraph the overpayments were much larger. The total overpayment on these series was, to-wit, \$1,442.28.

25. From on or about June 30, 1899, to April 11, 1901, when the receiver was appointed, no more series were declared matured. Twenty-five series in all were so illegally paid; and the total sum of the overpayment to the holders of the shares in those series without the factors of loss named in the preceding paragraphs entering into the calculation, was the sum of, to-wit, \$56,109.70.

26. That the said association had made large losses, which being considered would increase to a large amount the total overpayment on said shares, is confessed by the entries on the books thereof, between June 30, 1900, and December 31, 1900, which did not appear therein before. Between those dates there was charged to profit and loss the sum of, to-wit, one hundred and ninety-one thousand six hundred and fifty-four dollars and fifty-six cents (\$191,654.56).

27. Between August 15, 1891, when such stock was first issued, and December 31, 1900, there was issued shares of what is called fixed dividend stock upon and for which was paid to said association the sum of, to-wit, \$572,350, and between those dates there was paid on withdrawals, to the holders of the shares withdrawn, to-wit, \$331,855, leaving outstanding on said last named day, and on, to-wit, April 11, 1901, to-wit, \$240,495.00. Between December 31, 1895, and June 30th, 1896, there was paid of such stock on withdrawals the sum of, to-wit, \$39,150.00; between June 30, 1896, and June 30, 1897, there was paid of like stock the sum of, to-wit, \$86,050; between June 30, 1897, and June 30, 1898, to-wit, \$94,390; between June 30, 1898, and June 30, 1899, to-wit, \$34,260; between June 30, 1899, and June 30, 1900, to-wit, \$67,550, and between June 30, 1900, and December 31, 1900, and up to, to-wit, April 11, 1901, to-wit, \$38,405.00; between July 1, 1897, and December 3, 1897, there was paid on withdrawals of such stock, to-wit, \$54,370.00; and between January 15, 1898, and July 6, 1898, there was paid of like stock on withdrawals, to-wit, \$26,420.00; between June 30, 1897, and January 1, 1899, there was paid on withdrawals of like stock, to-wit, \$115,595. All said payments

were for the principal paid in on said shares, and were made when the said corporation was insolvent. There was also paid for interest on said fixed dividend stock between December 31, 1895, and June 30, 1897, to-wit, \$14,685.08; and between June 30, 1897, and April 11, 1901, the sum of, to-wit, \$68,195.58. There was paid for interest on said shares withdrawn between the dates following, the following sums, to-wit:

July 1, 1897, and December 31, 1897.....	\$ 7,049 61
January 15, 1898, and July 6, 1898.....	8,399 18
June 30, 1897, and January 1, 1899.....	26,119 71

The total sum paid for interest on such shares from the time the corporation began to issue them to its close was, to-wit, \$94,103.79; and during that period there was taken from the general fund of the association and placed in the expense fund as a charge for handling fixed dividend stock, from December 31, 1892, to June 30, 1897, to-wit, \$13,116.00; from July 1, 1897, to May 31, 1900, to-wit, \$13,999.92, total, \$27,115.92, making a total of expense and interest charges for this fixed dividend stock to the association of \$121,219.71, or over twenty-one and one-fifth per cent (21 1-5%) on the total issue of said stock.

28. Meantime there was paid to stockholders withdrawing installments and paid-up shares large sums of money on and for such shares, being the principal paid in on such shares withdrawn and large sums of money thereon for interest. For interest alone on such installment shares so withdrawn, there was paid the following sums during the following periods, to-wit:

Up to June 30, 1897.....	\$23,028.60
July 1, 1897, to December 31, 1897.....	2,077.00
January 1, 1898, to June 30, 1898.....	5,569.98
July 1, 1898, to December 31, 1898.....	6,670.11
January 1, 1899, to June 30, 1899.....	3,461.03
July 1, 1899, to December 31, 1899.....	2,750.04
January 1, 1900, to June 30, 1900.....	5,410.76
July 1, 1900, to December 31, 1900.....	5,593.79

Total\$54,561.31

And also on paid-up shares so withdrawn up to

December 31, 1896	\$2,902.38
From June 30, 1897, to December 31, 1900.....	131.26

Total\$3,033.64

29. When the said association failed, to-wit, April 11, 1901, its liabilities and assets, according to its books, were as follows:

Installment stock outstanding, to-wit.....	\$162,268.99
Prepaid Installment Coupon stock (not issued prior to 1900).....	135,362.07
Fixed Dividend stock (not issued prior to 1900)	240,495.00
Deposits of money with the association (not issued prior to 1900).....	722.00
Bills payable (not issued prior to 1900).....	5,600.00
Total	\$544,448.06

ASSETS.

Mortgages, including interest and premiums	\$175,150.75
Real estate.....	141,296.53
Lien Notes.....	3,951.00
Cash.....	872.20
	<u>321,270.48</u>

Difference	\$223,177.58
But said assets are not and then were not of the value of more than sixty cents on the dollar, so that there was to pay the said liabilities of.....	\$544,448.06
About	<u>192,762.28</u>
Loss.....	\$351,685.78

That is the stockholders who were such when the receiver was appointed will receive after the debts are paid about 20 cents on the dollar, less the expenses of administration. About \$100,000 of said item of fixed dividend stock, was in fact about \$100,000 of bills payable which are still unpaid and not shown on the books except on outstanding fixed dividend. Certain of said mortgage assets were also pledged. Before April 11, 1901, all the said prepaid (or paid-up) stock had been retired.

30. From time to time during the period from December 31, 1895, to April 11, 1901, said directors or said officers borrowed besides said sum of \$50,000, hereinbefore specified, other moneys to pay shareholders who claimed to hold matured shares and those who claimed the right to withdraw and for other purposes. The notes of the corporation were out most of the time during that period for borrowed money secured by a pledge of the property and stock of the corporation. Large sums were paid for interest at a high rate on such loans. There was borrowed of one James S. Galloway, to-wit, \$25,000 in the years, to-wit, 1898 and 1899, and of the Standard Building and Loan Association in the years, to-wit, 1897 and 1898, to-

wit, \$65,000. The said secretary also borrowed money of said Galloway and issued as collateral to the loan the shares of said association in the sum of, to-wit, \$25,000.

31. Your orator further shows that by the books of said association the said defendants, Wemple, Clark and Ives, appear to have received several sums of money without consideration to the association.

32. In consequence of the negligence and misconduct of the said directors, defendants as hereinbefore set forth, the said Michigan Savings and Loan Association became insolvent early in its career and its capital wasted and lost.

33. Had the said directors, defendants, performed their duties and managed the said association with reasonable care and diligence, or had they fairly apprised the shareholders of its true condition and of the real methods followed in operating it, instead of lulling them into fancied security by means of a pretended performance of duty and false representations as to its condition, and as to their practice and policy with reference to its affairs, much if not all of the loss and damage to the association and its shareholders would not have occurred.

34. And your orator further complaining shows that the said defendants named in paragraphs two and three of this bill and one George H. Scripps, since deceased, applied in writing for mebership in said association and became members and stockholders thereof at or about the time set opposite their names, respectively, in "Exhibits F., G., H.," hereto attached, hereby referred to and made a part hereof. In and by said applications said last named defendants and said George H. Scripps agreed to abide by all the terms and conditions of the by-laws, certificates of shares and resolutions adopted by the board of directors. On the acceptance of said applications and the payment of the money required, certificates of shares were issued, numbered respectively as in said exhibits specified and to the defendants respectively opposite whose names the numbers appear. The said defendants named in said Exhibit "F" held installment shares and paid-up. The defendants named in said Exhibit "G" held fixed dividend shares and those in Exhibit "H" prepaid installment shares. The installment share certificates certified that the payee named "is hereby constituted a shareholder of the Michigan Savings and Loan Association, incorporated under the laws of Michigan and holds shares in the.....

series therein of one hundred dollars each, and in consideration of the entrance fee, together with the agreements and statements contained in the application for membership in this association, and full compliance with all the provisions and conditions of the by-laws, a copy of which is attached to the certificate, which is hereby referred to and made a part of this contract, the said The Michigan Savings and Loan Association hereby agrees to pay to said shareholder or executors, administrators, or assigns, the sum of one hundred dollars for each of said shares as soon as the payments, together with all proper profits thereon, shall cause all the shares in said series to attain the value of one hundred dollars each, as shown by the semi-annual statement of the auditing committee of said association." The certificate of paid-up shares specified that the payee named "is a member of The Michigan Savings and Loan Association of Detroit, Michigan, and the owner and holder of shares of paid-up stock therein," and it referred to Articles of Section "V" of the by-laws as a part of the contract, stated that no agent had power to change the contract and provided further that "wherever the amount standing to the credit of this certificate equals one hundred dollars per share, the stock shall be deemed to have matured and the legal holders thereof shall be entitled to withdraw the same and to receive \$100 per share therefor." The certificates of fixed dividend stock acknowledged the payment of par for the shares and declared the payee to be a shareholder and the owner of shares of "Fixed Dividend" stock of the par of one hundred dollars, and the association agreed, in the language of the certificate, "to pay to said (payee), heirs, executors, administrators and assigns, on or before five years from the date hereof at its home office in the City of Detroit, State of Michigan, the series of hundred dollars." And further agreed in the words of the certificate, "to pay dividends upon said shares at the rate of per centum (.....) per annum, payable semi-annually on the first days of September and March in each year, at the home office of said company, in the said City of Detroit, upon the surrender of the coupons for said dividends hereto attached." The certificates also contained the following: "The following terms and conditions are made a part of the contract between the company and shareholder:

First: Said shareholder having paid par for said shares, the same are absolutely non-assessable.

Second: The principal sum, of one hundred dollars per share, for each share mentioned herein, shall be due and payable at the date upon which the last coupon attached hereto is due.

Third: The board of directors shall have the right to retire fixed dividend stock issued in the inverse order of its issue, by giving notice to the holders thereof in writing, specifying the date of such retirement, but the shares so retired shall be entitled to receive the full dividends thereon up to the date of the cancellation.

Fourth: This stock is withdrawable subject to the same limitations as other withdrawals under the law, and interest at the rate of per cent (.....) per annum shall be allowed in lieu of dividends for the period elapsing since the preceding semi-annual dividend up to date of notice of withdrawal; provided, however, that a deduction of five dollars per share shall be made for all shares withdrawn within six months of their date of issue."

The prepaid installment stock certificates declared the payee to be "the owner of shares of prepaid installment stock in the Michigan Savings and Loan Association of Detroit, Michigan, of the maturity or par value of one hundred dollars each, upon which dues have been paid in advance to the amount of sixty-five dollars per share, and the holder hereof is entitled to receive out of the profits apportioned to said shares semi-annual dividends in cash at the rate of six per cent per annum, on the first days of July and January of each year, upon the amount so paid, but if carried until its par value is attained this stock shall participate in the full profits of the association.

This stock is entitled to all the benefits and advantages conferred upon it by the by-laws of this association, and is issued to and accepted by the holders subject to all the terms, conditions and limitations thereof."

Attached to such certificates were coupons for the semi-annual interest.

35. And the contract of the holders of said certificates with said association was as is set forth therein, in said application for membership and in said by-laws.

36. The statute under which said corporation was organized provided that any stockholder might withdraw by giving thirty days' notice in writing at a stated meeting, of his intention to withdraw when he should be entitled to receive the amount paid in by him and such interest or proportion of the profits as the by-laws might

determine, less all fines and other charges; it also provided that payments of stock so withdrawn should be due only when the funds applicable to the demands of withdrawing stockholders were sufficient to meet and liquidate the same. The by-laws provided for the withdrawal by a shareholder of the payments made by him on his shares and interest out of earnings, less fines and certain sums paid for expenses, except that by the later by-laws the right to receive interest on withdrawals of dividend stock was not made to depend on profits.

37. Afterwards there was paid by said officers as hereinbefore stated, to said defendants, named in paragraphs two and three of this bill, and to said George H. Scripps, the sums of money specified as principal and as interest or profit, and at or about the time set opposite their names respectively, in said exhibits.

38. And your orator avers that when said payments were made, and each of them, none of the shares so paid had matured, there were no funds in the treasury applicable to the demands of withdrawing stockholders, the said association was insolvent, and no written notice of withdrawal had been given at a stated meeting as required by law. When the association became insolvent there was no right to withdraw. That right presupposes that at least a relative proportion of the assets will remain for the benefit of those who continue to be active members of the association. There was implied in the very essence of the said building association scheme an agreement between its members that all losses should be equally borne, and the enterprise conducted and the rights of the members adjusted on the basis of mutuality and equality. Each of the said last named defendants and said Scripps was paid the principal paid in by him on his shares and interest or profits thereon besides less certain small sums paid for entrance fees and expenses, which sums so paid were much more than his proportionate share of the assets. Many of said payments were made to stockholders who knew of the insolvent condition of said association and threatened to sue it if their moneys were not paid.

39. But over and beyond the considerations set forth in the preceding paragraph said payments and each of them were made by the said officers, and especially by said secretary, without any authority or power whatever. The said directors had abandoned to them as hereinbefore set forth the management of said association and the custody of its assets, and such payments were made without any

consideration thereof by or authority from the said board of directors.

40. But if in any instance it shall appear that said board of directors authorized the payment, they were, in the insolvent condition of said association, without power so to do. They did not represent the shareholders or the corporation to pay one set of shareholders with the moneys of another at that other's cost and loss.

41. The said several transactions with said last named defendants and with said Scripps were not binding on said association; the said several payments to and settlements with the defendants named in this paragraph were not its action, but were as if one partner had helped himself out of the common fund to more than his share.

42. Said George H. Scripps recently died, and said defendant Robert T. Gray, a resident of Detroit, in said state, was appointed administrator of his estate by the Probate Court for the County of Wayne, which Court had jurisdiction in the premises.

43. The defendant, The Sun Stove Company, a corporation under the laws of Michigan, succeeded to the franchises and property of the Sun Vapor Stove Company, a corporation, and the rights and obligations of said last named corporation were imposed upon the said defendant, The Sun Stove Company.

44. The said defendants, John B. Corliss, John E. Clark, Butler Ives and Frederick B. Wemple, held the certificates and were paid the sums and at or about the times set opposite their names respectively in said exhibits.

45. Some time prior to January 2, 1894, said defendant, Lee Amberg, applied in writing in the terms aforesaid for fifty shares of said fixed dividend stock, and upon the payment by him of \$5,000 therefor, said association issued and delivered to him on or about that date its certificates numbered, to-wit, one hundred and ninety-three (193), one hundred and ninety-four (194), one hundred ninety-five (195), one hundred ninety-six (196), one hundred ninety-nine (199), each for ten fully paid shares. Each certificate was on the terms aforesaid and acknowledged the payment of one thousand dollars (\$1,000), which said association promised to pay in five years with interest at seven (7%) per cent semi-annually on the surrender of the coupons attached. Afterwards there was issued by said association and delivered to said defendant on his like application and on the payment to it of four

thousand (\$4,000) dollars in money, four (4) other certificates each for ten (10) shares of like stock, numbered respectively, to-wit, two hundred fifteen (215), two hundred eighteen (218), two hundred twenty-eight (228), two hundred thirty-three (233). Said certificate two hundred fifteen (215) was issued on or about March 1, 1894; said certificate number two hundred eighteen (218) was issued on or about the fifteenth day of April, 1894; said certificate numbered two hundred twenty-eight (228) on or about May 15th, 1894; certificate number two hundred thirty-three (233) on or about June 15, 1894.

On or about September 1st, 1898, said certificates numbered one hundred ninety-three, one hundred ninety-four, one hundred five, one hundred ninety-six and one hundred ninety-nine, respectively, were renewed by the surrender thereof and by the issue and delivery by said association to said defendant of five (5) other certificates numbered respectively nine hundred seventy-nine (979), nine hundred eighty-two (982), nine hundred eighty-three (983), nine hundred eighty (980), nine hundred eighty-one (981), each for ten (10) shares of like stock, and containing like terms and conditions as those surrendered; all interest had been paid in all certificates so surrendered and renewed up to the time they were renewed.

On or about the first day of March, 1899, said certificates numbered two hundred fifteen, two hundred eighteen, two hundred twenty-eight, and two hundred thirty-three, respectively, were renewed by the surrender thereof and by the issue and delivery by said association to said defendant of four other certificates, numbered respectively, one thousand thirty-six (1,036), one thousand thirty-seven (1,037), one thousand thirty-eight (1,038), one thousand thirty-nine (1,039), each for ten (10) shares of like stock and containing like terms and conditions as those surrendered subsequently, and before any of said certificates fell due by their terms, and some time early in the year 1900, said Lee Amberg, defendant, applied to the secretary of said association for payment of all said certificates, and there was paid to him by said secretary upon such application at or about the time following the sums following, to-wit:

April 16, 1900.....	\$1,007.75
April 23, 1900.....	1,010.31
April 28, 1900.....	1,011.47
May 12, 1900.....	2,028.39
June 1, 1900.....	1,017.50
June 13, 1900.....	1,020.42
July 10, 1900.....	2,050.56

being the principal of said certificates, to-wit, nine thousand dollars (\$9,000) and interest thereon; and the total principal and interest, paid said defendant on all said certificates, being upward, to-wit, \$9,146.40 dollars. Upon such payments being made the said defendant surrendered the said certificates to said secretary.

46. Settlements were made between December 31, 1895, and April 11, 1901, both by said directors, defendants, and by said officers, with other stockholders who are not made parties to this suit for the reason that they either reside out of the State of Michigan and beyond the jurisdiction of the Court, or the right of action against them is barred by lapse of time.

47. Your orator prays for the following relief:

(A) That the defendants, John E. Clark, Frederick B. Wemble, Butler Ives, Thomas F. Hancock, John B. Corliss, William A. C. Miller, George L. Maltz, Samuel G. Burkhead, Jeannette K. Forrest, Bethune Duffield, George W. Colwell, Charles T. Cook, Louise M. Gardner, Richard Conner, J. Frederick Schmidt, J. Fred Hoelzle, Eliza A. Fish, Nina L. Crowell, William H. Brigham, Abiram A. Parker, William P. Van Winkle, Julius Ehlke, Jr., Arthur Bunton, Mary E. Garlick, Charles F. Kelley, Edward E. Ryan, William H. Ambler, Adelia R. Carpenter, Morris Alpern, Casper Alpern, Henry J. Eberhart, James H. Gibbs, Magnus Anderson, Nora Coffa, Anna Fauser, Jacob Beuhrle, John E. Lee, Mary A. Hyde, Joseph K. Holland, Margaret F. Hadley, Frank E. Wright, Samuel Bachand, James E. Davidson, William E. Bradley, Hannah Henderson, Seth R. Cole, Joseph Grimore, George W. Wagner, John O'Brien, J. Fred Wuerth, Fannie Wemple, Jennie Fern, Orrin Bump, John W. Heisner, Peter Leszeyanski, Fannie Hancock, William J. Reynolds, William R. Wilson, Gust V. Vallenberg, Edward L. Park, Frank M. Ottenger, George Weurth, Morris Robinson, Paul Plessner, Rosie Kaumeyer, William Kaumeyer, Theodore Young, Frank R. Boyd, Mary Hyde, Charles W. Sanford, Anna E. Boyd, William H. Little, Henry Coles, Maggie A. Walsh, Otto Kaumeyer, Hugh Ballentine, Herman Gushe, Paul Plessner, Robert Armstrong, James S. Galloway, Richard Scholes, Martin Galvin, John Kaiser, New Haven Banking Company (corporation), Lee Amberg, Fannie Amberg, The First National Bank of Bay City (corporation under the laws of the United States), Rebecca Wray, John F. Cartwright, Anna R. Jones, Nicholas Althaver, Kittie A. Brown, Clarence

C. Beatty, Christian Houk, William Kitt, George W. Scott, Ludwig Kallin, Sarah Taylor, William McCardle, George E. Turner, Helen A. Miller, Edgar G. Emmons, William R. Adams, Milton F. White, Laura Blount, Louise M. Gardner, Peter McDuff, Charles E. Osborne, Mary Edwards, Paul Rauss, Fred J. Carter, Frank G. Seaman, Fred O. Waldo, Robert Armstrong, August P. Vier, John M. Cadzow, John K. Wright, George G. Barrett, Delos F. Diggins, Eugene D. Russel, Charles Healy, Ira A. Clark, Richard Venn, Frank Fowler, Bates G. Burt, Gretchen Fox, John W. Whiteside, George L. Loope, Fred Houck, Ole Hoyd, Mark Schwendeman, James E. Bean, Dan E. Amos, Mary F. Ely, George D. Fisher, Frenk Healy, William London, Nels Brink, James R. Oakes, Milton F. White, John K. Wertin, Helen A. Miller, Frank Martinek, Elizabeth Hickory, William Thomas, James R. Dee, John Lindberg, Sarah Taylor, Peter Stromberg, William McCardle, William K. Wright, Donald E. Sutherland, Jane Owen, George H. Schobert, Edbert S. Schermerhorn, Thomas Cornish, William Kitt, Victor Corignor, George W. Scott, Peter E. Swanson, William T. Dodge, John C. Ryan, Phillip Secor, William R. Adams, Rachel E. Moorman, Joseph Farrand, Richard Banfield, William J. Carl, Joseph Carmichael, Thomas H. Gillespie, John H. Krier, Herbert R. Glenn, Edward Bowden, Lucian B. McClear, Belle Pulver, Phineas Farrand, Cora B. Thompson, Anna Kincaid, Helen M. Anderson, Charles H. Lilly, Fred F. Ambrose, Edward M. Mullin, Charles A. Hanson, Edgar G. Emmons, John T. Reeder, Eric J. Quarnstrom, Clarence E. Smith, Eugenie F. Zanella, Robert T. Gray, administrator of the estate of George H. Scripps, deceased, The Sun Stove Company, a corporation under the laws of Michigan, and each of them, be required to answer this bill of complaint, but not on oath (their answers on oath being hereby expressly waived.

(B) That the responsibility of the defendants who were directors of said Michigan Savings and Loan Association and each and every one of them for the losses of said association and its shareholders be ascertained and determined.

(C) That the said last named defendants, and each of them, be required to account fully and completely for all of their actions, doings and pretenses in the matter of said association in the direction, management and administration of its affairs and in the use and disposition of its property.

(D) That the losses and damages of said association and its shareholders be ascertained and determined, and the said last above named defendants or such of them as may be responsible therefor adjudged and decreed to pay the same to your orator for distribution in said insolvency proceedings.

(E) That said defendants named in paragraphs two (2), three (3) and three (3A) A of this bill and each of said last named defendants be required to account fully and completely, and the sum of money received by them and each of them from said association ascertained and determined, and said defendants and each of them decreed to pay to your orator for distribution as aforesaid, the sum that on such accounting shall be found due.

(F) That the interest of said last named defendants and each of them in the assets of said association be ascertained and determined.

(G) That your orator may have such other and further relief in the premises as equity may require and as to the Court shall seem meet.

(H) That subpoenas may issue under the seal of this Court in the usual form and with the usual penalty requiring the said defendants and each of them to appear and answer this bill.

And your orator will ever pray.

RALPH L. ALDRICH,
Receiver of The Michigan Savings
and Loan Association.

DE FOREST PAINE,
Solicitor and of Counsel for Receiver.

EXHIBIT A.

BY-LAWS OF THE MICHIGAN SAVINGS AND LOAN ASSOCIATION.

The articles marked "No. 1" show the by-laws as originally adopted at the time of the formation of the company and the subsequent articles show the amendments from time to time up to January 15th, 1895, when an entirely new set of by-laws were adopted.

SECTION 1 (NO. 1.)

NAME, LOCATION, OBJECT AND DURATION.

ARTICLE 1. (NO. 1.)

This association shall be known as "The Michigan Savings and Loan Association," and the principal office for the transacting of its business shall be located in the city of Detroit., County of Wayne and State of Michigan, but advisory boards may be established in any community where one hundred shares or more of the capital stock of the association shall be taken. (Amended 2-24-90. See No. 2.)

SECTION 1. (NO. 2.)

NAME, LOCATION, OBJECT AND DURATION.

ARTICLE 1. (NO. 2.)

This association shall be known as "The Michigan Savings and Loan Association," and the principal office for the transacting of its business shall be located in the city of Detroit, County of Wayne and State of Michigan, but advisory boards may be established in any community where a "sufficient number" of shares of the capital stock of the association may be taken.

(Adopted 2-24-90. Readopted as Sec. 1. of Revised By-Laws of 1-15-98.)

ARTICLE 2. (NO. 1.)

Its object shall be to afford its members a safe and profitable investment for their savings and to aid them in the purchase and improvement of real estate.

(Substantially readopted as Sec. 2, Revised By-Laws of 1-15-98. First two words changed to read "The object of the association.")

ARTICLE 3. (NO. 1.)

This association shall continue for the period of thirty years. (Repealed 1-15-98.)

SECTION 2. CAPITAL STOCK.

ARTICLE 1 (NO. 1.)

The capital stock of this association shall be twenty-five million dollars divided into shares of one hundred dollars each.

(Changed by Section 17, Revised By-laws of 1-15-98.)

ARTICLE 2 (NO. 1).

All stock shall be issued monthly in series, the certificates thereof dated the first of the month following the month of issue, and the shares of each series shall be paid within ninety days after the same shall have attained the par value of one hundred dollars, as shown by the quarterly statement of the Auditing Committee, upon demand of the holders thereof.

(Repealed 1-15-98.)

ARTICLE 3 (NO. 1).

This association is purely mutual, and each shareholder shall be entitled, at all elections, to one vote for each share of stock held by him or her on which all dues, fines, etc., have been fully paid, not to exceed forty votes for any stockholder. (See Sec. 7, Act. 50, Public Acts 1887.)

(Amended 1-17-91. See No. 2.)

ARTICLE 3 (NO. 2.)

This association is purely mutual and the individual liability of each member is limited to installment payments and loan repayments during the continuance of such membership, and each shareholder shall be entitled, at all elections, to one vote for each share of stock held by him or her on which all dues, fines, etc., have been fully paid, not to exceed forty votes for any stockholder. (See Sec. 7, Art. 50, Public Acts 1887.) (Adopted 1-17-91. Repealed 1-15-98. See Sec. 3, Revised By-Laws of 1-15-98.)

SECTION 3.

DIRECTORS, OFFICERS AND ANNUAL MEETINGS.

ARTICLE 1 (NO. 1.)

The corporate powers of the association shall be exercised by a Board of Directors, consisting of six members, two of whom shall be elected for three years, two for two years and two for one year, and after the first two members shall be elected annually for a period of three years, provided that the members of the Board shall be classified as to duration of term of office as said members shall decide.

(Amended 2-24-90. See No. 2.)

ARTICLE 1 (NO. 2.)

The corporate powers of the association shall be exercised by a Board of Directors, consisting of seven members, two of whom shall be elected for three years, two for two years and three for one year, and after the first year, at each annual meeting, there shall be elected for a term of three years a number of Directors corresponding to the number of those whose terms expire at that annual meeting, provided that the members of the first Board shall be classified as to their terms of office as said members shall decide.

(Adopted 2-24-90. Amended 1-17-91. See No. 3.)

ARTICLE 1 (NO. 3.)

The corporate powers of the association shall be exercised by a Board of Directors, consisting of seven members, two of whom shall be elected for three years, two for two years, and three for one year, and after the first year, at each annual meeting, there shall be elected for a term of three years a number of Directors corresponding to the number of those whose terms expire at that annual meeting, provided that the members of the first Board shall be classified as to their terms of office as said members shall decide. Directors shall be elected from the shareholders of the association, and, if at any time, any Director shall withdraw or otherwise dispose of his shares in the association a vacancy in his office shall thereby be created, to be filled as provided in these By-laws.

(Adopted 1-17-91. Repealed 1-15-98. See Sec. 4, Revised By-laws, 1-15-98.)

ARTICLE 2 (NO. 1.)

The officers of this association shall be a President, two Vice-Presidents, Secretary, Treasurer and Attorney, to be elected by and from the members of the Board of Directors at their annual meeting (Sec. 5, Acts 50.) All vacancies in the Board of Directors from deaths, resignations or otherwise, and all vacancies from any office from any cause shall be filled by the Board of Directors until the next annual meeting of the association.

(Amended 7-27-91. See No. 2.)

ARTICLE 2 (NO. 2.)

The officers of this association shall be a President, Vice-President, Secretary, Treasurer, and Attorney, to be elected by and from the members of the Board of Directors at their annual meeting (Sec. 5, Acts 50.) All vacancies in the Board of Directors from death, resignations or otherwise, and all vacancies from any office from any cause, shall be filled by the Board of Directors until the next annual meeting of the association.

(Adopted 7-27-91. Repealed 1-15-98. See Secs. 5 and 6, Revised By-laws of 1-15-98.)

ARTICLE 3 (NO. 1.)

All bonds to this association from any officer or agent shall be approved by the Board of Directors and filed with the President.

(Covered by Sec. 9, Revised By Laws 1-15-98.)

ARTICLE 4 (NO. 1.)

The annual meeting of this association shall be held in the City of Detroit, at 7.30 o'clock p. m., on the first Wednesday in December of each year. (Amended 2-24-90. See No. 2.)

ARTICLE 4 (NO. 2.)

The annual meeting of this association shall be held in the City of Detroit, at 7.30 o'clock p. m., on the third Saturday in January of each year. All annual and special meetings of the stockholders of this association shall be held at the office of the association in the City of Detroit, Michigan. Special meetings of the stockholders shall be held at such times and for such purposes as may be ordered by the Board of Directors, and special meetings shall be called by the Secretary whenever requested so to do by a written request signed by twenty-five of the stockholders of this association, and such special meetings shall be called for such time and for such purpose as is designated in such written request. Notice of the annual meeting shall be given by publishing same in a newspaper printed and published in the City of Detroit, Michigan, daily, for the fourteen days immediately preceding the third Wednesday in January of each year. Notice of each and every special meeting shall be given to each and every stockholder of the association by mailing to his or her address, as given

in the books of the association, a written or printed notice (which notice shall specify the purpose for which said special meeting is called) at least ten days previous to the time of calling of such special meeting.

(Adopted 2-24-90. Repealed 1-15-98. See Sec. 7, Revised By-laws of 1-15-98.)

ARTICLE 5 (NO. 1.)

Regular monthly meetings of the Board of Directors shall be held at such time each month as the Board may determine. Special meeting of the Board may be called at any time by the Secretary and shall be called upon the request of any Directors, made to the Secretary.

(Repealed 1-15-98. See Sec. 8, Revised By-Laws of 1-15-98.)

ARTICLE 6 (NO. 1.)

It shall be the duty of the Board of Directors to determine the sufficiency of all security offered for loans, and attend generally to the financial affairs of the association. They shall have the management of the business of the association not otherwise provided for in the By-laws, and they shall have control of the Expense Fund to be used in managing the business of the association. They shall cause the Secretary to mail an annual statement of the condition and business of the association as provided by law. A majority of the Board shall constitute a quorum for the transaction of any business. All directors and officers shall receive such compensation as the Board of Directors may determine. (Amended 7-27-91. See No. 2.)

ARTICLE 6 (NO. 2.)

It shall be the duty of the Board of Directors to determine the sufficiency of all security offered for loans and attend generally to the financial affairs of the association. They shall have the management of the business of the association not otherwise provided for in the By-laws, and they shall have control of the Expense Fund to be used in managing the business of the association. They shall cause the Secretary to mail an annual statement of the condition and business of the association as provided by law. A majority of the Board shall constitute a quorum for the transaction of any business. All directors and officers shall receive such compensation as the Board of Directors may determine.

The rate of premium to be paid by borrowing members shall be fixed by the Board of Directors, and may be changed at any stated meeting of the Board without notice; but such change shall in no wise affect any existing contracts. The rate of dividends to be paid upon Dividend Bearing Coupon Stock shall be determined and fixed by the Board of Directors at any stated meeting of the Board, and may be changed from time to time as the business of the association may warrant. Provided that such change shall not affect any issued shares of such series.

(Adopted 7-27-91. Amended 3-14-92. See No. 3.)

ARTICLE 3 (NO. 3.)

It shall be the duty of the Board of Directors to determine the sufficiency of all security offered for loans, and attend generally to the financial affairs of the association. They shall have the management of the business of the association not otherwise provided for in the By-laws, and they shall have control of the Expense Fund to be used in managing the business of the association. They shall cause the Secretary to mail an annual statement of the condition of the business of the association as provided by law. A majority of the Board shall constitute a quorum for the transaction of any business. All directors and officers shall receive such compensation as the Board of Directors shall determine. The rate of dividends to be paid upon Dividend Bearing Coupon Stock shall be determined and fixed by the Board of Directors at any stated meeting of the Board, and may be changed from time to time as the business of the association may warrant. Provided that such change shall not affect any issued shares of such series.

(Adopted 3-14-92. Covered by Sec. 4, Revised By-Laws of 1-15-98.)

ARTICLE 7 (NO. 1.)

It shall be the duty of the President to preside at all the meetings of the shareholders and Board of Directors, sign all certificates of stock and perform all the other duties usually pertaining to the office. The Vice-Presidents, each in turn, shall perform all the duties of the President in the absence of that officer, and, in case of a vacancy in the office of President, shall act as President until the vacancy is filled, each in order of First and Second Vice-President. (Amended 7-27-91. See No. 2.)

ARTICLE 7 (NO. 2.)

It shall be the duty of the President to preside at all meetings of shareholders and Board of Directors, sign all certificates of stock and perform all other duties usually pertaining to the office. The Vice-President shall perform all the duties of President in the absence of that officer, and, in case of a vacancy in the office of President, shall act as President until the vacancy is filled.

(Adopted 7-27-91. Repealed 1-15-98. See Sec. 9, Revised By-Laws of 1-15-98. Also Sec. 10.)

ARTICLE 8 (NO. 1.)

It shall be the duty of the Secretary to attend all meetings of the Board of Directors and the shareholders; to receive all money paid into the association and to pay the same over monthly to the Treasurer. He shall keep all the books of the association and all accounts between the association and the shareholder; issue all notices; conduct all correspondence; draw and sign all orders on the Treasurer and sign all certificates of stock. Whenever required by the Board he shall submit a statement in writing of the financial affairs of the association. The books of the association kept by him shall be at all times subject to the inspection of the Board. He shall, under the direction of the Board of Directors, see to the (settle-) of all claims and bills, attend to all advertising, printing and publishing, keep insured all interests the association may have in any building or property liable to loss by fire; he shall, with the assistance of the Attorney, protect the interests of the association in all tax sales of forfeiture or foreclosures of property in which it may hold any interest. He shall receive from the Attorney, after being recorded, all deeds, mortgages or other documents pertaining to the business of the association, and make the proper entry of the same in books kept for that purpose. He shall give bond to be approved by the Board of Directors for the benefit of the association conditioned for the faithful performance of the duties of his office. He shall receive such compensation for his services as the Board of Directors may determine.

(Repealed 1-15-98. See Sec. 11, Revised By-Laws, 1-15-98.)

ARTICLE 9 (NO 1.)

It shall be the duty of the Treasurer to receive all moneys belonging to the loan fund, from the Secretary, and keep a correct account of the same and of the money paid out by him. He shall pay out said money only upon the order of the President (or Vice-President) and the Secretary, when duly authorized so to do by the Board of Directors. He shall furnish the Board of Directors, when required, a statement in writing or otherwise, of the full business of his office. He shall furnish a satisfactory bond to be approved by the Board of Directors for the benefit of the association, conditioned for the faithful performance of the duties of his office in conformity with the By-Laws and the order of the Board of Directors.

(Amended 2-24-90. See No. 2.)

ARTICLE 9 (NO. 2.)

It shall be the duty of the Treasurer to receive all moneys belonging to the loan fund, from the Secretary, and keep an account of the same and of the money paid out by him. He shall pay out said money only on the order of the President (or Vice-President) and the Secretary when duly authorized so to do by the Board of Directors. He shall receive from the Secretary and keep on file all securities for loans made by the association, provided that the same shall be accessible for examination by the Board of Directors or any member thereof, upon application at any time during "banking hours." He shall furnish the Board of Directors when so required a statement in writing or otherwise of the full business of his office. He shall furnish a satisfactory bond to be approved by the Board of Directors for the benefit of the association, conditioned for the faithful performance of the duties of his office in conformity with the By-Laws and the order of the Board of Directors.

(Adopted 2-24-90. Repealed 1-15-98. See Sec. 12, Revised By-laws, 1-15-98.)

ARTICLE 10 (NO. 1.)

It shall be the duty of the Attorney to examine all abstracts and records relating to the title of real estate offered as security for loans, and certify in writing to the Board of Directors all facts within his knowledge that might affect the interests of the association in case such security were accepted. He shall act as counsel

in behalf of the association and furnish legal advice in any and all case or cases in litigation. He shall prepare all papers incident to making sales and securing loans by the association, cause them to be properly executed, cause the same to be recorded in the proper office of the county, and when so recorded, deliver the same to the Secretary, and in general do and perform all things incident to this office.

(Repealed 1-15-98. See Sec. 13, Revised By-laws, 1-15-98.)

ARTICLE 11 (NO. 1.)

No officer of the association shall execute any note or promise to pay any money or accept any draft unless authorized so to do by the Board of Directors.

(Superadded by Sec. 33, revised By-laws of 1-15-98.)

ARTICLE 12 (NO. 1.)

The corporate seal of this association shall be as follows:

(Adopted 2-24-90; Repealed 1-15-98.)

SECTION 4.

FUNDS.

ARTICLE 1 (NO. 1.)

The receipts of said association shall be divided into two classes, which shall be called respectively, The Loan Fund and The Expense Fund. The Expense Fund shall consist of all entrance, transfer and attorney fees, together with ten cents per share per month from the monthly installment payments on shares, and this fund so constituted shall be devoted to the payment of operating expenses, including amounts paid for insurance or taxes on property, on which loans have been made, and fees, costs and disbursements of foreclosure.

(Amended 2-24-90. See No. 2.)

ARTICLE 1 (NO. 2.)

The receipts of said association shall be divided into two classes, which shall be called respectively, The Loan Fund and The Expense Fund. The Expense Fund shall consist of all entrance, transfer and attorney fees, together with ten "per cent. of" from the monthly install-

ment payments on shares, and this fund, so constituted, shall be devoted to the payment of operating expense, including amounts paid for insurance or taxes on property on which loans have been made, and fees, costs and disbursements of foreclosure, and the Loan Fund shall consist of all other moneys received by the association.

(Adopted 2-24-90. Changed by Sections 29 and 30 of Revised By-laws of 1-15-98.)

SECTION 5.

MEMBERSHIP.

ARTICLE 1 (NO. 1.)

All new shareholders elected or appointed as directors shall concur in and adopt previous resolutions, agreements and obligations adopted by the Board of Directors of said association.

(Repealed 1-15-98.)

ARTICLE 2 (NO. 1.)

Persons desiring to become shareholders of this association must make application according to the form provided for that purpose by the association, pay a membership fee of one dollar per share and agree to be governed by the by-laws of this association and such other rules and regulations as may be adopted.

(Amended 7-27-91. See No. 2.)

ARTICLE 2 (NO. 2.)

Persons desiring to become shareholders of this association must make application according to the form provided for that purpose by the association, pay a membership fee of one dollar per share and agree to be governed by the By-laws of this association and such other rules and regulations as may be adopted. But no membership fee shall be required to be paid by applicants for dividend coupon shares. (Adopted 7-27-91.)

(Readopted as Sec. 15, Revised By-laws, 1-15-98, except last sentence.)

ARTICLE 3 (NO. 1.)

The application for membership, the By-laws and the certificates and terms and conditions of the shares form the contract between the members and the association.

(Readopted as Sec. 16, Revised By-laws of 1-15-98, except words underlined.)

ARTICLE 4 (NO. 1.)

Each shareholder shall pay or cause to be paid a monthly installment of one dollar on each share, named in his or her certificate, until the said shares shall have reached the par value of one hundred dollars each; said installments to be paid to the association on or before the twenty-fifth day of each calendar month, provided that when the twenty-fifth day of any month shall occur on the first day of the week, commonly called Sunday, then said installment shall be paid on or before the previous day. In case any shareholder shall fail to pay any monthly installment at the time named, he shall be required to pay a fine of ten cents on each installment, per share, for each month so delinquent.

(Amended 2-24-90. See No. 2.)

ARTICLE 4 (NO. 2.)

The shareholders of the capital stock of this (of this) association shall be divided into two classes, one of which shall be known as the One Dollar Installment Shares, and the other as Fifty Cent Installment Shares. Each shareholder of the One Dollar Installment Shares shall pay or cause to be paid a monthly installment of one dollar on each share named in his or her certificate, until the said shares shall have reached the par value of one hundred dollars each, and each shareholder of the Fifty Cent Installment Shares shall pay or cause to be paid a monthly installment of fifty cents on each share named in his or her certificate until the said shares shall have reached the par value of one hundred dollars; said installment to be paid to the association on or before the twenty-fifth day of each calendar month, provided that when the twenty-fifth day of any month shall occur on the first day of the week, commonly called Sunday, then said installments shall be paid on or before the previous day. In case any shareholder shall fail to pay any monthly installment at the time named, he shall be required to pay a fine of ten cents on each installment per share for each month so delinquent. (Adopted 2-24-90. Amended 7-27-91. See No. 3.)

ARTICLE 4 (NO. 3.)

The shares of Capital Stock of this association shall be issued in two classes, Installment Stock and Dividend Bearing Coupon Stock. The Installment Stock shall be

issued payable by monthly installments of either one dollar or fifty cents, and the Dividend Bearing Coupon Stock shall be issued as provided in these By-laws. Each shareholder of the One Dollar Installment Shares shall pay or cause to be paid a monthly installment of one dollar on each share named in his or her certificate, until the said shares shall have reached the par value of one hundred dollars each, and each shareholder of the Fifty Cent Installment Shares shall pay or cause to be paid a monthly installment of fifty cents on each share named in his or her certificate until the said shares shall have reached the par value of one hundred dollars; said installments to be paid to the association on or before the twenty-fifth day of each calendar month, provided that, when the twenty-fifth day of any month shall occur on the first day of the week, commonly called Sunday, then said installments shall be paid on or before the previous day. In case any shareholder shall fail to pay any monthly installment at the time named, he shall be required to pay a fine of ten cents on each installment per share for each month so delinquent. (Adopted 7-27-91. Changed by Sec. 18, Revised By-laws 1-15-98.)

ARTICLE 5 (NO. 1.)

Any shareholder wishing to withdraw from the association may be allowed to do so, but the association shall not be required to pay out more than one-half of the net receipts of the monthly installments paid in that month. (See 6, Art. 50. Repealed 1-15-98.)

ARTICLE 6 (NO. 1.)

Shareholders withdrawing their stock shall be entitled to receive all amounts paid in except the entrance fee, ten cents from each monthly installment per share, and any such fines as may be due, together with simple interest as follows: On all certificates running three months and under two years six per cent. per annum, on all certificates running two years and under four years seven per cent. per annum, and on all certificates in force four years and upwards eight per cent. per annum, interest to be computed on the sum refunded for the average time said sum has been paid.

(Amended 2-24-90. See No. 2.)

ARTICLE 6 (NO. 2.)

Shareholders withdrawing their stock shall be entitled to receive all amounts paid in except the entrance fee, ten per cent. from each monthly installment per share, and such fines as may be due, together with simple interest as follows: On all certificates running three months and under two years, six per cent. per annum; on all certificates running two years and under four years, seven per cent. per annum; and on all certificates in force four years and upwards, eight per cent. per annum; interest to be computed on the sum refunded for the average time that said sum has been paid. (Adopted 2-24-90. Changed by Sec. 19, Revised By-laws, 1-15-98.)

ARTICLE 7 (NO. 1.)

The association reserves the right to cancel any certificate of stock after five years from the date of its issue by paying to the holder thereof the full value of said shares as shown by the preceding semi-annual report of the Auditing Committee.

(Covered by Sec. 28, Revised By-laws, 1-15-98.)

ARTICLE 8 (NO. 1.)

Paid up stock may be issued and sold at the price of fifty-six dollars per share, one dollar of which shall be entrance fee payable on the date of issue. And parties holding such paid up stock may withdraw the same before maturity, less the regular entrance fee, and receive annual interest from the date of issue of said stock as provided in Art. 6 of this section, provided that such withdrawals shall be subject to the same limitations as other withdrawals under the law, and provided further that three dollars on each of said shares may be used for expenses besides membership fee, whether withdrawn before maturity or not.

(Amended 1-17-91. See No. 2.)

ARTICLE 8 (NO. 2.)

Paid up stock may be issued and sold at the price of fifty-six dollars per share, one dollar of which shall be entrance fee payable on the date of issue. Any parties holding such paid up stock may withdraw the same before maturity, less the regular entrance fee, and receive annual interest from the date of issue of said stock as provided in Art. 6 of this section, provided that such withdrawals shall be subject to the same limitations as

other withdrawals under the law, and provided further that three dollars on each of said shares may be used for expenses, besides membership fee, whether withdrawn before maturity or not. Whenever, in the judgment of the Board of Directors, it shall be lawful and expedient, investment shares of the value of (#) 100 each may be issued by this association bearing 7% interest payable semi-annually at the office of the association. Such shares shall be issued at not less than their face value, and shall in all respects rank with all other shares issued by the association. Five dollars of each of said shares shall be written in to the expense fund. The holder of such shares shall not participate in the profits of the association other than in said interest payments and they shall have the right to withdraw the same at their full face value, together with accrued interest, at any time by giving thirty days notice at any stated meeting of the association. Such shares, if withdrawn before the expiration of six months after their issuance, shall receive interest up to the time of such withdrawal, but shall suffer a reduction of (#) 5.00 per share for expenses. The surplus of the earnings of such shares after payments of dividends shall be written into the loan fund after deducting the taxes, expenses, etc., applicable to such shares. "Also—" The holders of prepaid shares may receive upon the same a dividend of seven per cent. per annum payable semi-annually, such amount so paid being deducted from the total amount credited to said shares out of the profits and earnings of the association; the maturity of such shares being thereby postponed until such time as the total value thereof through such accumulations shall equal (#) 100.00. Holders of such shares who desire such dividends shall give the Secretary notice of such fact on or before the first day of July and first day of November of each year, provided that this section shall refer only to a division of profits earned from and after December 1st, 1890. (Adopted 1-17-91.)

(Amended 7-27-91. See No. 3, abolishes paid up stock.)

ARTICLE 8 (NO. 3.)

Dividend Bearing Stock may be issued and sold not less than \$100 per share, upon which annual dividends, not to exceed 8 per cent. per annum may be paid, in semi-annual installments. Such stock shall be withdrawable subject to the same limitations as other with-

drawals under the law, and interest at the rate of 7 per cent. per annum shall be allowed in lieu of dividends for the period elapsing since the preceding semi-annual dividend up to the date of notice of withdrawal, provided, however, that a reduction of five dollars per share shall be made for all shares withdrawn within six months of their date of issue. The taxes required by law shall be paid on such shares out of the expense fund of the association, and so much of the earnings of such shares as may be necessary over and above the amount paid as dividends thereon may be credited to the expense fund to pay taxes and other charges upon said shares, and the surplus, if any, shall be credited to the profit account of the other shares of stock issued by the association. Installment and other shares may be at any time converted into fixed dividend stock by the surrender thereof and the payment of such an amount in addition to the then withdrawal value of such shares as will make the total amount paid in on such shares one hundred dollars each. Fixed dividend shares may also be issued to any shareholder in the ratio of one share per each hundred dollars of the withdrawal value of the shares surrendered. Withdrawing holders of dividend bearing shares shall be subject to the provisions of Art. 5, Sec. 6 of these By-laws. No part of the amount paid in upon dividend bearing shares shall be written into the expense fund, but the proportionate part of the expense of such shares shall be deducted from the earnings thereof semi-annually. The Board of Directors shall have the right to retire fixed dividend stock issued in the inverse order of its issue, by giving notice to the holders thereof in writing specifying the date of such retirement, but the shares so retired shall be entitled to receive the full dividends thereon to the date of the cancellation.

(Adopted 7-27-91. Changed by Sections 22 and 23, Revised By-laws, 1-15-98.)

ARTICLE 9 (NO. 1.)

Any shareholder may transfer his shares at any time when they are not in arrears by endorsing such transfer on the back of his certificate, provided that such transfer shall be by the approval of the Secretary of the association, endorsed on said certificate. To secure such approval and have the proper entries made on the books of the association the certificate must be sent to the home office accompanied by a transfer fee of ten cents for each share represented by said certificate, to be paid by the purchaser of said shares.

(Changed by Section 24, Revised By-laws, 1-15-98.)

ARTICLE 10 (NO. 1.)

All remittances for installments, interests, fines and all other payments to the association, except entrance fees paid to duly authorized agents, shall be remitted to the Secretary at the home office, without notice from the association, and all money paid to the Secretary of a local Advisory Board or to a local agent is made to such person as the agent of the party paying and not as the agent of the association.

(Readopted substantially in Sec. 31, Revised By-laws, 1-15-98.)

ARTICLE 11 (NO. 1.)

Each shareholder of stock shall be charged with any and all amounts that may be owing from the shareholder, or his assigns to the association, whether in dues, fees, loans, interest or premiums, and all certificates of stock in said association shall whether mentioned therein or not, be subject to a lien thereon to secure any such indebtedness, and the right to withdraw any such indebtedness is hereby reserved to the association.

(Sec. 26, Revised By-Laws, 1-15-98.)

ARTICLE 12 (NO. 1.)

Upon the death of shareholder the Board of Directors of the association may elect within sixty days to allow the legal representative of the deceased either to continue his shares to maturity or to accept upon a surrender of a certificate of shares to the association, the sum due in case of ordinary withdrawals as provided in Art. 6 of this section.

(See Sec. 21, Revised By-laws, 1-15-98.)

ARTICLE 13 (NO. 1.)

It shall be the duty of every shareholder, or his or her legal representative, upon changing his or her residence or postoffice address, to immediately notify the Secretary of the association of his latest residence or postoffice address.

(Changed by Sec. 34, Revised By-Laws, 1-15-98.)

ARTICLE 14 (NO. 1.)

Any member shall have the privilege of paying his installments on the shares held by him in advance, and

where such advance payments are made for a period of six months or more, interest at the rate of six per cent. per annum for the average time of such advance payment will be credited on the payment next following such period of which advance payments are made.

(New Article adopted 1-17-91. Amended 7-27-91. See No. 2.)

ARTICLE 14 (NO. 2.)

Any member shall have the privilege of paying his installments on the shares held by him in advance, and when such advance payments are made for a period of six months or more interest at the rate of six per cent. per annum for the average time of such advance payment will be credited on the payment next following such period of which advance payments are made. Stock in this association is non-forfeitable but, if a monthly payment on any share becomes past due for a period of three months or more such shares shall at the option of the Board of Directors, be sold at auction for the purpose of paying the arrearages, by giving ten days' notice and publishing the same at least twice in some newspaper in the City of Detroit, at any stated meeting of the Board of Directors. The delinquent shareholder shall be notified of the intention of the Board of Directors to sell such stock by the Secretary of the association at least thirty days before the same shall be sold by depositing such notice in the postoffice to the address of such delinquent shareholder as given by him to the association. The proceeds of such sale shall first be used to pay all delinquent installments and fines and the balance remaining if any shall be paid to the member in whose name the stock stands on the books of the association at the time of the sale. If the stock brings no more than enough to pay accrued fines and expense of such sale and monthly payments, it shall be bid in by the association and cancelled, and all money standing to the credit of such stock in the loan fund shall be considered forfeitable to the association.

(Adopted 7-27-91. Sec. 27, Revised By-laws, 1-15-98, covers sale of delinquent stock. Sec. 32, Revised By-laws, 1-15-98, covers advance payments.)

SECTION 6.

LOANS.

ARTICLE 1 (NO. 1.)

Each shareholder, for each share named in his or her

certificate, shall be entitled to a loan of one hundred dollars, provided he shall bid the highest premium for the preference or priority of loan as provided in the act under which this association is organized, subject to the provisions of these By-laws as to security, the conditions of the loan fund to be always considered as to the ability of the association to supply wants of intending borrowers. All applicants for a loan shall make application for such loan on a blank provided for that purpose.

(Amended 7-27-91. Sec. No. 2.)

ARTICLE 1 (NO. 2.)

Each shareholder for each share named in his or her certificate shall be entitled to a loan of one hundred dollars, provided he shall make a certified application for such a loan on blank provided for such purpose and agree therein to pay a premium of fifty cents per month on the one dollar installment stock and forty cents per share on fifty cent installment stock or such other premium per share as shall be fixed by resolution of the Board of Directors. All loans shall be made according to the priority of application, the character of the security offered and the available portion of the loan fund being considered. The verified application for loan and all the statements therein made shall form a part of the mortgage contract between the borrower and the association and all mortgage contracts shall be especially agreed to be Michigan contracts and to be constructed only by the law of the State of Michigan. The acceptance of an application for a loan shall not be held to bind the association to the making of such loan, and the right is reserved for the association thereafter to decline to complete such loan when, in the judgment of the proper officers of the association, the value of the proposed security has become impaired, or for any other good cause. And all applications for loans shall be made subject to this provision. (Adopted 7-27-91.)

(Amended 3-14-92. See No. 3.)

SECTION 6.

ARTICLE 1 (NO. 3.)

Each shareholder, for each share named in his or her certificate, shall be entitled to a loan of one hundred dollars, provided he shall bid the highest premium for the preference or priority of loan, as provided in the Act under which this Association is organized, subject to the provisions of these By-Laws as to security, the conditions

of the loan fund to be always considered as to the ability of the Association to supply wants of intending borrowers. All applicants for a loan shall make application for such loan on a blank provided for that purpose (Adopted 3-14-'92.)

(Changed by Sec. 35, Revised By-Laws 1-15-'98.)

ARTICLE 2 (NO. 1.)

All loans made by this Association shall be upon satisfactory bond or first mortgage secured on real estate, together with fire insurance policy in case of improved property. Said borrower shall also transfer in pledge to the Association one share of stock held by the said stockholder for each one hundred dollars as collateral security for his loan. All borrowers shall pay interest at the uniform rate of sixty cents per month on each share of stock borrowed upon, payable monthly at the time of the payment of the regular monthly installments. (Amended 2-24-'90. Sec. No. 2.)

ARTICLE 2 (NO. 2.)

All loans made by this Association shall be upon satisfactory bond or first mortgage secured on real estate, together with fire insurance policy in case of improved property. Said borrowers shall also transfer in pledge to the Association one or more shares of the stock held by the said stockholder for each one hundred dollars as collateral security for his loan. All borrowers shall pay interest at the uniform rate of sixty cents per month on each share of stock borrowed upon, payable monthly at the time of the payment of the regular monthly installments. (Adopted 2-24-'90.)

(Changed by Sec. 36, Revised By-Laws 1-15-'98.)

ARTICLE 3 (NO. 1.)

Abstracts of title must be furnished by the borrower, and the Attorney of this association must report a clear title of said property in the applicant for a loan, as shown by said contract. All applicants for a loan whose security has been approved and who has secured the privilege of a loan must pay an attorney fee to the association of one dollar for each share borrowed upon, not to exceed twenty-five dollars, and also all costs of recording the papers necessary to close the transaction. (Amended 2-24-'90. See No. 2.)

ARTICLE 3 (NO. 2.)

Abstracts of title must be furnished by the borrowers and the Attorney of this Association must report a clear title of said property in the applicant for a loan, as shown by said abstract. All applicants for a loan whose security has been approved and who has secured the privilege of a loan must pay an attorney fee to the Association of one dollar for each share borrowed on, not to exceed ten dollars, and also all costs of recording the papers necessary to close the transaction. (Adopted 2-24-90. Repealed 1-15-98.)

ARTICLE 4 (NO. 1.)

Borrowing members who shall neglect to pay any installments of interest on their loan as the same become due, shall pay to the Association a fine of five cents per month on each share borrowed on by said borrower from the Association.

(Amended 7-27-91. See No. 2.)

ARTICLE 4 (NO. 2.)

Borrowing members who shall neglect to pay any installment of interest on their loan as the same become due, shall pay to the Association a fine of two per cent. per month on each share borrowed on by said borrowers from this Association.

(Adopted 7-27-91. Changed by Sec. 42, Revised By-Laws of 1-15-98.)

ARTICLE 5 (NO. 1)

Should a shareholder whose property is mortgaged to the Association desire to release the same by prepayment of his indebtedness, he may on application to the Association, be allowed to do so by giving thirty day's notice of such intention.

(Amended 7-27-91. See No. 2.)

ARTICLE 5. (NO. 2.)

Should a shareholder whose property is mortgaged to the Association desire to release the same or any part thereof by prepayment of his indebtedness, he may on application to the Association be allowed to do so by giving thirty days notice of such intention.

(Adopted 7-27-91. Re-adopted as Sec. 37, Revised By-Laws of 1-15-98.)

ARTICLE 6. (NO. 1.)

Any shareholder may have his mortgage transferred from one piece of property to another by giving thirty days' notice and by consent of the Board of Directors, the shareholder to pay all expenses incurred by the transfer of the same.

(Repealed 1-15-98.)

ARTICLE 7. (NO. 1.)

Any shareholder may sell or transfer property mortgaged to the Association, and the purchaser may assume all stipulations, agreements and conditions of the original mortgagor by a proper instrument of writing to be paid for at his own expense provided the same shall be assented to by the Board of Directors. Said person purchasing may also purchase the shares held by said shareholders, and they will be transferred on the books of the Association to said purchaser. All installments, interest and charges thereon being paid up to the time of transfer, and upon payment of fees therefor; or the Association may accept a new mortgage from said purchaser to secure the former loan, upon the same or other sufficient property, upon payment of all fees and expenses thereof.

(Repealed 1-15-98.)

ARTICLE 8. (NO. 1.)

All deeds, bonds, leases or other written instruments requiring to be executed, and all satisfactions and releases of mortgages and other indebtedness ordered by the Board of Directors, shall be signed in the name of the Association by the President and countersigned by the Secretary, and when necessary acknowledged by the President and Secretary in their official capacity and have the corporate seal attached.

(Repealed 1-15-98.)

ARTICLE 9. (NO. 1.)

If any shareholder or any person shall neglect to pay installments, interest or fines on his loans, or the regular monthly installments, fees or fines on his shares, for three months, the Association may compel payment of principal, interest, fees and fines due or to be used thereon by proceeding on his bond and mortgage, which shall at once become fully due and payable, and the Association may cancel and treat as forfeited the said shareholder's

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shares of stock whether deposited as collateral security or not. Time, punctuality and strict performance on the part of all members, borrowers, shareholders in payment of monthly installments, interest, fines, fees and loans, are made the essence of the contract.

(Amended 2-24-90. Sec. No. 2.)

ARTICLE 9. (NO. 2.)

If any shareholder or any person shall neglect to pay the installments, interest or fines on his loans, or the regular monthly installments, fees or fines on his shares, for three months, the Association may compel payment of principal, interest, fees and fines due or to be used thereon by (by) proceeding on his bond and mortgage, which shall at once become fully due and payable, and may also dispose of the stock which has been deposited with it as collateral security, and dispose of the same by advertising the same, for at least five days, for sale to the highest bidder by written or printed notice posted in a prominent place in the office of said Association, and such notice shall set forth the hour and day on which said stock is to be sold. Time, punctuality and strict performance on the part of all members and borrowers and shareholders in payment of monthly installments, interest, fines and fees and loans are made the essence of this contract. (Adopted 2-24-90.)

(Amended 7-27-91. See No. 3.)

ARTICLE 9. (NO. 3.)

If any shareholder or any person shall neglect to pay the installments, interest or fines on his loans or the regular monthly installments, fees or fines on his shares for six months, the Association may compel payment of the principal, interest, fees and fines due or to be used thereon by (by) proceeding on his bond and mortgage which shall at once become fully due and payable, and may also dispose of the stock which has been deposited with it as collateral security and dispose of the same by advertising the same for at least five days for sale to the highest bidder by written or printed notice posted in a prominent place in the office of said Association, and such notice shall set forth the hour and the day on which said stock is to be sold. Time, punctuality and strict performance on the part of all members, borrowers, shareholders in payment of monthly installments, interest, fines, fees and loans, are made the essence of this contract. (Adopted 7-27-91.)

(Can only foreclose when 6 payments are in default.
Changed by Sec. 38, Revised By-Laws of 1-15-98.)

ARTICLE 10. (NO. 1.)

Any shareholder may pay his installments on interest in advance or deposit with the Association money to be used for such payments as they may fall due, and the Association will receipt for the same.

(Repealed 1-15-98.)

ARTICLE 11. (NO. 1.)

Any shareholder who has obtained a loan by giving taxable security shall be bound to pay all State, City, County or other taxes or assessments as they become due in addition to all other payments, and his failure to do so will make his loan, bonds, mortgages and interest at once fully due and payable at the option of the Board of Directors.

(Readopted as Sec. 41, Revised By-Laws of 1-15-98.)

ARTICLE 12. (NO. 1.)

No agent or officer of this Association shall have power to waive or alter any of the conditions or provisions of these By-Laws or of the applications for membership, application for a loan, certificate of shares, or the printed literature of the Association.

(Changed by Sec. 43, Revised By-Laws of 1-15-98.)

SEC. —, ART. —.

Whenever any member shall have paid installments on his shares for a period of eighteen months, or shall pay such installments in advance, the Association, if deemed advisable by the Board of Directors, may on his application purchase from him real estate, improved or unimproved, not exceeding the par value of his shares, taking a deed thereof in the name of the Association. Thereupon the Association shall execute to such member a contract by the terms of which he shall agree to pay to the Association such monthly payments upon each of his shares as would be paid upon ordinary loans, together with all taxes, costs, insurance charges and assessments against said property, and the attorney fee and costs for examination of abstracts and execution and recording of proper documents, and upon the full completion of such payments, a deed of said real estate, free of all claims on the part of the Association, will be executed to such mem-

ber or his lawful heirs or assigns. In all respects such member shall be subject to the same terms and conditions as an ordinary borrower, and if such property be improved he shall cause the same to be insured in an approved company for the benefit of this Association.

(No. 1, New Article, Adopted 1-17-91. Repealed 1-15-98.)

SECTION 7.

AMENDMENTS.

ARTICLE 1. (NO. 1.)

These By-Laws may be amended, supplemented, altered, repealed or suspended at any stated meeting of the shareholders by a two-thirds vote of the votes cast at the meeting but no such amendment shall alter or affect any existing contract or certificate already made without the assent of the parties interested. Such proposed amendment or alteration to be first submitted in writing at the stated meeting immediately preceding.

(Amended 2-24-90. See No. 2.)

ARTICLE 1. (NO. 2.)

These By-Laws may be amended, supplemented, altered, repealed or suspended at any special or annual meeting of the shareholders by a two-thirds vote cast at the meeting, but no such amendment shall alter or affect any existing contract or certificate already made, without the assent of the parties interested. Such proposed amendment or alteration to be first submitted in writing at the stated meeting immediately preceding. (Adopted 2-24-90.)

(Changed by Sec. 45, Revised By-Laws, 1-15-98.)

BY-LAWS OF THE MICHIGAN SAVINGS AND LOAN ASSOCIATION.

All sections marked "No. 1" adopted 1-15-98 and are still in force except those noted herewith.

SECTION 1, NAME. (NO. 1.)

This Association shall be known as "The Michigan Savings and Loan Association," and the principal office for the transaction of the business shall be located in the

City of Detroit, County of Wayne and State of Michigan, but Advisory Boards may be established in any community where a sufficient number of shares of the capital stock of the Association shall be taken. (Sec. 1, Art. 1, old By-Laws.)

SECTION 2, OBJECT. (NO. 1.)

The object of the Association shall be to afford its members a safe and profitable investment for their savings, and to aid them in the purchase and improvement of real estate. (Sec. 1, Art. 2, old By-Laws.)

SECTION 3, VOTING. (NO. 1.)

This Association is purely mutual, and each stockholder shall be entitled, at all elections, to one vote for each share of stock held by him or her on which all dues, fines, etc., have been fully paid; not to exceed forty votes for any stockholder. Such votes may be cast in person or by proxy, provided that all proxies shall be filed at the office of the Association for record prior to date of the annual meeting. (Sec. 2, Art. 3, old By-Laws.)

SECTION 4, DIRECTORS. (NO. 1.)

The corporate powers of the Association shall be exercised by a Board of Directors, consisting of seven members, two of whom shall be elected for three years, two for two years, and three for one year, and after the first year there shall be elected at each annual meeting, for a term of three years, a number of Directors, corresponding to the number of those whose terms expire at the annual meeting, provided that the members of the first Board shall be classified as to their terms of office as said members shall decide. The Board of Directors shall have the management and control of all matters relating to the Association, shall approve all bonds, fix all salaries and attend generally to the financial affairs of the Association. A majority of the Board shall constitute a quorum for the transaction of business.

(Sec. 3, Art. 1, old By-Laws. Amended 2-5-98. See No. 2.)

SECTION 4, DIRECTORS. (NO. 2.)

The corporate powers of this Association shall be exercised by a Board of Directors consisting of seven members, and there shall be elected at each annual meeting for a term of three years, a number of Directors corre-

sponding to the number of those whose term expire at the annual meeting. The Board of Directors shall have the management and control of all matters relating to the Association, shall approve all bonds, fix all salaries and attend generally to the financial affairs of the Association. A majority of the Board shall constitute a quorum for the transaction of business.

(Adopted 2-5-98.)

SECTION 5, OFFICERS. (NO. 1.)

The Board of Directors shall at its first meeting after the annual meeting of the stockholders, elect from its members a President, Vice-President, Secretary and Treasurer, Attorney, Auditor and such committees as may be deemed necessary for the proper transaction of the business of the Association.

(Sec. 3, Art. 2, old By-Laws. Amended 2-5-98. See No. 2.)

SECTION 5, OFFICERS. (NO. 2.)

The Board of Directors shall at its first meeting after the annual meeting of the stockholders each year, elect from its members a President, Vice-President, Secretary, Treasurer, two Auditors and such Committees as may be deemed necessary for the proper transaction of the business of the Association.

(Sec. 3, Art. 2, old By-Laws. Amended 2-5-98. See No. 2.)

SECTION 5, OFFICERS. (NO. 2.)

The Board of Directors shall, at its first meeting after the annual meeting of the Stockholders each year, elect from its members a President, Vice-President, Secretary and Treasurer, two Auditors and such Committees as may be deemed necessary for the proper transaction of the business of the Association.

(Adopted 2-5-98. Amended 1-27-1900. See No. 3.)

SECTION 5, OFFICERS. (NO. 3.)

The Board of Directors shall, at its first meeting, after the annual meeting of the stockholders each year, elect from its members a President, Vice-President, Secretary, Treasurer and Auditor, and such Committees as may be deemed necessary for the proper transaction of the business of the Association.

(Adopted 1-27-00.)

SECTION 6, VACANCIES. (NO. 1.)

All Directors and Officers shall serve until their successors are duly elected and qualified, and all vacancies caused by death, resignation or otherwise shall be filled by the Board of Directors for the unexpired term.

Sec. 3, Art. 2, old By-Laws.

SECTION 7, MEETINGS OF STOCKHOLDERS. (NO. 1.)

The annual meeting of the stockholders shall be held the last Saturday of January, at 7:30 P. M. of each year, at its principal office. Special meetings shall be called at any time by the President upon the written request of a majority of the Directors, and notice of the same and the general object thereof shall be given by mail to the stockholders, addressed to them at their place of residence as shown by the books of the Association.

(Sec. 3, Art. 4, old By-Laws. Amended 2-28-98. See No. 2.)

SECTION 7, MEETINGS OF STOCKHOLDERS. (NO. 2.)

The annual meeting of the stockholders shall be held on the last Saturday of January at 3 P. M. of each year, at its principal office, upon the written request of a majority of the Directors, and ten days notice of the same, and the general object thereof, shall be given by mail to the stockholders, addressed to them at their place of residence as shown by the books of the Association.

(Adopted 2-28-98.)

SECTION 8. MEETINGS OF DIRECTORS. (NO. 1.)

Regular monthly meetings of the Board of Directors shall be held on the first Monday of each month.

(Sec. 3, Art. 5, old By-Laws.)

SECTION 9. PRESIDENT. (NO. 1.)

It shall be the duty of the President to preside at all meetings of the stockholders and of the Board of Directors, sign all certificates of stock, all orders drawn on the Treasurer, and perform all the duties usually pertaining to his office. He shall have custody of all bonds executed by the officers of the Association for the faithful performance of their duties.

(Sec. 3, Art. 7, old By-Laws.)

SECTION 10, VICE-PRESIDENT. (NO. 1.)

The Vice-President shall perform all the duties of President in the absence of that officer, and in case of a vacancy in the office of President shall act as President until the vacancy is filled.

(Sec. 3, Art. 7, old By-Laws.)

SECTION 11, SECRETARY. (NO. 1.)

The Secretary shall give a bond satisfactory to the Board of Directors, attend all meetings of the Board and stockholders and enter the minutes of such meetings in a book of record kept for that purpose; receive all moneys paid into the Association and deposit the same daily with the Treasurer, and countersign all checks issued by the Treasurer. He shall keep a correct account between the Association and the stockholders, make monthly and semi-annual statements of the financial affairs of the Association, draw and sign all orders of the Treasurer, sign all certificates of stock, have general charge of the business and office of the Association, its seal and all belongings, subject to the directions of the Board of Directors. He shall keep insured all interests of the Association may have in any building or property liable to loss by fire, wind or otherwise, and protect the interest of the Association in all tax sales and forfeitures.

(Sec. 3, Art. 8, old By-Laws.)

SECTION 12, TREASURER. (NO. 1.)

The Treasurer shall be the custodian of all moneys belonging to the Association, shall keep separate accounts of the Loan Fund and Expense Funds, and shall disburse such funds upon orders signed by the President and Secretary and countersigned by the Auditors. He shall keep a record of all moneys received and paid out by him, give a bond which shall be satisfactory to the Board, and render monthly to such Board, a full statement of the affairs of his office.

(Sec. 3, Art. 9, old By-Laws. Amended 1-27-00. See No. 2.)

SECTION 12, TREASURER. (NO. 2.)

The Treasurer shall be the custodian of all moneys belonging to the Association, shall keep separate accounts of the Loan Fund and Expense Fund, and shall disburse such funds upon orders signed by the President and Secretary and countersigned by the Auditor. He shall keep

a record of moneys received and paid out by him, give a bond which shall be satisfactory to the Board of Directors, and render monthly to such Board a full statement of the affairs of his office.

(Adopted 1-27-00.)

SECTION 13, ATTORNEY. (NO. 1.)

The Attorney shall examine all abstracts and records relating to the title of real estate offered as security for loans, and certify in writing to the Board of Directors all facts within his knowledge that might affect the interest of the Association in case such security were accepted. He shall act as Counsel in behalf of the Association and furnish legal advice in any and all cases in litigation. He shall prepare all papers incident to making sale and securing loans by the Association, cause them to be properly executed and recorded in the proper office of the County, and when so recorded, deliver the same to the Secretary, and in general do and perform all things incident to his office and such other duties as may be required by the Board of Directors.

(Sec. 3, Art. 10, old By-Laws. Amended 1-27-00.)

SECTION 13, ATTORNEY. (NO. 2.)

An Attorney, who shall be appointed by the Board of Directors, shall examine all abstracts and records relating to the title of real estate offered as security for loans and certify in writing to the Board of Directors all facts within his knowledge that might affect the interests of the Association in case such security were accepted. He shall act as counsel in behalf of the Association and furnish legal advice in any and all cases in litigation. He shall prepare all papers incident to making sales and securing loans by the Association, cause them to be properly executed and recorded in the proper office of the county, and when so recorded deliver the same to the Secretary, and in general do all things incident to his office and such other duties as may be required by the Board of Directors.

(Adopted 1-27-00.)

(NEW) SECTION 14, AUDITORS.

The Auditors shall audit all bills and accounts, all vouchers for disbursement of money, all monthly and other financial statements of the Secretary and Treasurer, all semi-annual statements of the Association, and shall

perform such other duties as may be required by the Board of Directors.

(Amended 1-27-1900.)

SECTION 14, AUDITORS. (NO. 2.)

The Auditors shall audit all bills and accounts, all vouchers for the disbursement of money, all monthly and other financial statements of the Secretary and Treasurer, all semi-annual statements of the Association, and shall perform such other duties as may be required by the Board of Directors.

(Adopted 1-27-1900.)

SECTION 15, MEMBERSHIP CONTRACT. (NO. 1.)

Persons desiring to become shareholders of this Association must make application according to the form provided for that purpose by the Association, pay a membership fee of one dollar per share and agree to be governed by the By-Laws of this Association and such other rules and regulations as may be adopted.

(Sec. 5, Art. 2, old By-Laws.)

SECTION 16, MEMBERSHIP CONTRACT. (NO. 1.)

The application for membership, the By-Laws and certificate form the contract between the members and the association.

(Sec. 5, Art. 3, old By-Laws.)

SECTION 17, CAPITAL STOCK. (NO. 1.)

The capital stock of this Association shall be \$75,000.-000.00, divided into shares of \$100 each. The stock shall be issued in three classes, Installment Stock, Prepaid Stock, and Dividend Stock.

(Sec. 2, Art. 1, old By-Laws. Amended 1-27-1900. See No. 2.)

SECTION 17, CAPITAL STOCK. (NO. 2.)

The capital stock of this Association shall be \$25,000.-000.00, divided into shares of \$100 each. The stock shall be issued in two classes, Installment Stock and Prepaid Stock.

(Adopted 1-27-1900.)

SECTION 18, INSTALLMENT STOCK. (NO. 1.)

The Installment Stock shall be issued payable by monthly installments of either \$1.00 or 50 cents. Each holder of \$1.00 Installment Stock shall pay a monthly installment of \$1.00 on each share, and each holder of 50c Installment Stock shall pay a monthly installment of 50c on each share; said installments to be paid to the Association on or before the last day of each month (not Sunday or a legal holiday). Installment stock may be issued bearing such semi-annual interest as the Board of Directors may prescribe, not to exceed six per cent per annum, and such interest so paid shall be deducted from the share of profits to which such stock is entitled. Installment stock may be issued in monthly series, and shall mature and become due and payable at Detroit, Michigan, within ninety days from the time when the amounts paid, together with their accumulations of profits, shall equal \$100 per share. The Board of Directors may, at its discretion, issue interest bearing installment stock with special privileges in lieu of full participation in its profits.

(Sec. 5, Art. 4, old By-Laws. Amended 1-27-1900. See No. 2.)

SECTION 18, INSTALLMENT STOCK. (NO. 2.)

The Installment Stock shall be issued payable by monthly installments of either \$1.00 or 50 cents. Each holder of \$1.00 Installment Stock shall pay a monthly installment of \$1.00 on each share, and each holder of 50c Installment Stock shall pay a monthly installment of 50 cents per share; said installments to be paid to the Association on or before the last day of each month (not Sunday or a legal holiday). Installment stock may be issued bearing such semi-annual interest as the Board of Directors may prescribe, not exceeding six per cent per annum, and such interest so paid shall be deducted from the share of profits to which such stock is entitled. Installment stock may be issued in monthly series, and shall mature and become due and payable at Detroit, Michigan, within ninety days from the time when the amounts paid, together with the accumulations of the profits, shall equal \$100 per share.

(Adopted 1-27-1900.)

SECTION 19, WITHDRAWAL OF INSTALLMENT STOCK.

(NO. 1.)

One Dollar Installment Stock may be withdrawn after six monthly installments payments have been made, and 50 cents Installment Stock may be withdrawn after 12 monthly payments have been made, by giving thirty days' notice in writing, and shall be entitled to receive all amounts paid in, except ten per cent, from each monthly installment per share, and such fines as may be due together with simple interest as follows: After one year, six per cent per annum; after two years 7 per cent per annum; after three years, 8 per cent per annum; interest to be computed on the sum refunded for the average time that said sum has been paid. After five years the book value of this stock issued since the adoption of this amendment, as shown by the last semi-annual statement of the Association, will be paid, provided the installment stock bearing semi-annual interest shall be entitled upon withdrawal to its withdrawal value, as provided therein, from which shall be deducted the sum total of interest paid, and further, provided that installment stock bearing semi-annual interest issued with special withdrawal privileges in lieu of full participation in the profits, shall be entitled upon withdrawal, to the full amount paid in, without deduction, together with interest at the rate fixed by the Board of Directors, up to the time of the last semi-annual statement.

(Sec. 5, Art. 6, old By-Laws. Amended 1-27-1900.)

SECTION 19, WITHDRAWAL OF INSTALLMENT STOCK.

(NO. 2.)

One Dollar Installment Stock may be withdrawn after six monthly installments payments have been made and 50 cent Installment Stock may be withdrawn after 12 monthly payments have been made by giving 30 days' notice in writing, and shall be entitled to receive all amounts paid except ten per cent from each monthly installment per share, which shall be retained for the benefit of the expense fund and such funds as may be due, together with simple interest out of the profits earned by the stock, as follows: After one year, 6 per cent per annum; after two years, 7 per cent per annum; after three years, 8 per cent per annum; interest to be computed on the sum refunded for the average time

said sums have been paid. After five years the book value of this stock issued since the adoption of this amendment, as shown by the last semi-annual statement of the Association, will be paid. Provided the installment stock bearing semi-annual interest shall be entitled, upon withdrawal, to its withdrawal value, and provided therein, and from which shall be deducted the sum total of interest paid, and further provided, that Installment Stock bearing semi-annual interest, issued with special withdrawal privileges in lieu of full participation in the profits, shall be entitled upon withdrawal, to the full amount paid in, without deduction, together with interest, at the rate fixed by the Board of Directors, up to the time of the last semi-annual statement.

(Adopted 1-27-1900.)

SECTION 20, PREPAID STOCK. (NO. 1.)

Persons desiring to prepay their monthly installments may subscribe for prepaid stock, which shall be estimated at 66 monthly installments and shall be paid for in one payment of \$66.00 per share in advance, upon which payment no discount will be allowed. The sale of this stock may be discontinued at any time by the Board of Directors. Said stock shall become due and payable at Detroit, Michigan, 90 days from the time when the profits of the Association arising from interest, premium, fines and other sources, added to \$65.000 of the amount paid in, shall equal \$100.00 per share. The Board of Directors may pay to the holder of this stock interest semi-annually at a rate not to exceed 6 per cent per annum, and, in the event of the payment of such interest, then such stock shall become due and payable 90 days from the time when the profits to which said stock is entitled over and above the interest paid, added to the \$65.00, shall equal \$100.00 per share. This stock shall contribute to the Expense Fund the sum of ten cents per share per month, which shall be deducted from the profits to which this stock is entitled.

(Amended 1-27-1900. See No. 2, New Section.)

SECTION 20, PREPAID STOCK. (NO. 2.)

Persons desiring to prepay their monthly installments may subscribe for Prepaid Installment Stock, which shall be estimated at sixty-five monthly installments, and shall be paid for in one payment of \$65.00 per share in advance, upon which payment no discount shall be allowed. The sale of this stock may be discontinued at any time

by the Board of Directors. Said stock shall become due and payable at Detroit, Michigan, ninety days from the time when the profits of the Association arising from interest, premium, fines and other sources, added to \$65.00, shall equal \$100.00 per share. The Board of Directors may pay to the holder of this stock, out of the profits earned by it, interest semi-annually at a rate not to exceed six per cent per annum, and in the event the payment of such interest, then such stock shall become due and payable ninety days from the time when the profits to which said stock is entitled over and above the interest paid, added to \$65.00 shall equal \$100.00 per share. This stock shall contribute to the Expense Fund the sum of ten cents per share per month, which shall be deducted from the profits to which the stock is entitled.

(Adopted 1-27-1900.)

SECTION 21, WITHDRAWAL OF PREPAID STOCK. (NO. 1.)

Prepaid stock may be withdrawn any time after six months by giving thirty days' notice, and be entitled to \$65.00 per share and interest at six per cent per annum, provided that, if semi-annual interest is paid upon this stock, then interest so paid shall be the full extent to which said stock shall participate if withdrawn before maturity.

(Amended 1-27-1900. See No. 2, New Section.)

SECTION 21, WITHDRAWAL OF PREPAID STOCK. (NO. 2.)

Prepaid stock may be withdrawn any time after six months by giving sixty days' notice, and be entitled to \$65.000 per share, and out of the profits earned with the money received from the sale of this stock, shall receive interest, not to exceed six per cent. Provided that, if semi-annual interest is paid on this stock, then interest so paid shall be the full extent to which said stock shall participate if withdrawn before maturity.

(Adopted 1-27-1900.)

SECTION 22, DIVIDEND STOCK. (NO. 1.)

Whenever there are not sufficient funds to meet the loan fund or whenever funds are needed to pay stock that has matured, fully paid Dividend Stock may be issued at \$100 each, which shall be paid for in advance at the rate of \$100 per share, and shall bear semi-annual dividends, not to exceed the rate of 7 per cent per

annum on the par value thereof. Provided, however, that such stock shall not be issued when the income to the Loan Fund is equal to or greater than the amount of approved applications for loans on hand or matured shares. The Board of Directors may retire this stock at par and accrued interest at any time by giving sixty days' notice, provided that it be retired in the numerical order in which it was issued.

(Section 5, Art. 8, old By-Laws. Repealed 1-28-1900.)

SECTION 23, WITHDRAWAL OF DIVIDEND STOCK. (NO. 1.)

Dividend stock may be withdrawn at par and accrued interest to date by giving ninety days' notice in writing. Provided, however, that in no case shall more than one-half received for the Loan Fund during any month be issued in payment of withdrawing installment, prepaid or dividend stock, without the consent of the Board of Directors.

(Covered by Art. 8, Sec. 5, old By-Laws. Readopted as Section 22, 1-27-1900.)

SECTION 24, TRANSFERS OF STOCK. (NO. 1.)

Stock may be transferred by paying a fee of \$1.00 and having the transfer accepted by the Secretary at the home office. At the death of any member his legal representative will be given the right to continue such stock to maturity, without paying the usual transfer fee, or shall be entitled to receive the withdrawal of such if not pledged to the Association for a loan.

(Articles 9 and 10, Sec. 5, old By-Laws; Readopted as Section 23, 1-27-1900.)

SECTION 25, REDUCTION OF STOCK.

Upon payment of a fee of \$1.00 a member holding \$1.00 Installment Stock in force three months, or 50 cent Installment Stock in force six months, may return his certificate and receive a new one of the same date as the old one for a less number of shares. The monthly installment paid on the old certificate will be applied on the new one as far as they will go.

(New Section, Readopted as Sec. 24, 1-27-1900.)

SECTION 26, LIABILITY OF STOCK.

Each stockholders shall be charged any and all amounts that may be due to the Association, whether in dues,

fees, fines, loans, interest or premiums, and all certificates of stock in said Association shall, whether mentioned therein or not, be subject to a lien thereon to secure such indebtedness, and the right to deduct or withhold from the value of this stock is hereby reserved to the Association.

(Art. 11, Sec. 5, old By-Laws. Readopted as Sec. 25, 1-27-1900.)

SECTION 27, FORFEITURE OF STOCK.

If a monthly payment on any share of stock becomes past due for a period of six months or more, such shares may be sold at auction for the purpose of paying the arrearages by giving the delinquent stockholder ten days' notice before the same shall be sold, by depositing a written notice in the postoffice to the address of such delinquent stockholder as given by him to the Association.

(No. 1, Art. 14, Sec. 5, old By-Laws; Readopted as Sec. 26, 1-27-1900.)

SECTION 28, CALLING IN STOCK.

The Association reserves the right through its Board of Directors to call in and take up any certificates of stock at any time on notice to the holder by mail, when such stock shall be presented at its principal office for payment and cancellation at its book value as shown by the preceding semi-annual statement of the Association. Provided that stock shall be retired in the numerical order in which it was issued in the respective classes.

(Art. 7, Sec. 5, old By-Laws, No. 1; Readopted as Sec. 27, 1-27-1900.)

SECTION 29, LOAN FUND.

The Loan Fund shall consist of 90 cents collected on each share of \$1.00 stock, forty-five cents per month on each share of fifty cent installment stock, \$65.00 per share for each share of prepaid stock, less 10 cents per share per month; \$100.00 per share for each share of dividend stock less \$2.00 per share per year, together with all fines, interest and premiums. Provided that in the case of interest bearing installment stock issued with special withdrawal privileges, the Loan Fund shall consist of the entire amount paid in by such stock, and all profits earned thereon, except three per cent per annum for the expense fund.

(Art. 1, Sec. 4, old By-Laws, Amended 1-27-1900.
Amended section numbered 28. No. 1. See No. 2.)

SECTION 29, EXPENSE FUND. (NO. 2.)

The Expense Fund shall consist of all receipts that do not belong to the Loan Fund as defined in Section 27, and shall be used to defray the expenses of the Association. Any surplus of such fund shall be credited to the Loan Fund and become a part thereof semi-annually when the semi-annual reports of the Association are made, and if at any time there shall be a deficiency in the Expense Fund it shall be made out of the Loan Fund immediately prior to the making up of the semi-annual report.

(Adopted as Section 28, 1-27-1900.)

SECTION 30, EXPENSE FUND.

The Expense Fund shall consist of all receipts that do not belong to the Loan Fund, as defined in Section 29, and shall be used to defray the expenses of the Association.

(Art. 1, Sec. 4, old By-Laws, No. 1; Readopted as Section 29, 1-27-1900.)

SECTION 31, PAYMENT OF MONEY.

All remittances or installments, interest, fines and other payments to the Association, except membership fees, shall be remitted to the Secretary at the home office without notice from the Association, and all moneys paid to the Secretary of a Local Advisory Board or to a Local Agent is made to such person as the party paying, and not as the agent of the Association.

(No. 1, Art. 10, Sec. 5, old By-Laws. Readopted as Section 30, 1-27-1900.)

SECTION 32, ADVANCE PAYMENTS.

Advance payments of monthly installments and interest and premiums may be made for six months or more and a discount of not to exceed six per cent per annum may be allowed for the average time.

(Art. 14, Sec. 5, old By-Laws, No. 1; Readopted as Section 31, 1-27-1900.)

SECTION 33, NOTES AND ACCEPTANCES.

No officer or officers of the Association shall execute or promise to pay money or accept any draft unless authorized to do so by the Board of Directors.

(No. 1, Art. 11, Section 3, old By-Laws; Readopted as Section 32, 1-27-1900.)

SECTION 34, CHANGE OF ADDRESS.

It shall be the duty of every shareholder to notify the Secretary of the Association at any change of residence or postoffice address.

(Art. 13, Section 5, old By-Laws, No. 1; Readopted as Section 33, 1-27-1900.)

SECTION 35, LOANS ON REAL ESTATE.

Each shareholder shall be entitled to a loan of \$100.00 for each share named in his or her certificate, provided he or she shall bid at an open stated meeting of the Board of Directors the highest premium for the preference of priority of a loan as provided in the Act under which this Association is organized, subject to the provisions of these By-Laws as to security. All applicants for a loan shall make application for such loan on a blank provided for such purpose. The sufficiency of all security offered for loans shall be determined by the Board of Directors.

(Article 1, Section 6, old By-Laws, No. 1; Readopted as Section 34, 1-27-1900.)

SECTION 35, CONDITION OF LOANS.

Loans made by this Association shall be upon good and ample real estate security not to exceed fifty per cent of the appraised value, together with fire insurance policy in case of improved property. Said borrower shall also transfer in pledge to the Association one or more shares of stock held by said stockholder for each \$100.00 as collateral security for his loan. Abstracts of title must be furnished by the borrowers. Every applicant for a loan, when security has been approved, and who has secured the privilege of a loan, must pay an attorney fee to the Association of one dollar for each share borrowed on, not to exceed ten dollars, and also all costs of recording the papers necessary to close the transaction. All borrowers shall pay interest at the uniform rate of 50 cents per share per month on each

share of stock borrowed on, payable monthly at the time of the payment of the regular monthly installments.

(Art. 2, Sec. 6, old By-Laws, No 1; Readopted as Section 35, 1-27-1900.)

SECTION 37, REPAYMENT OF LOANS.

Should a stockholder whose property is mortgaged to the Association desire to release the same or any part thereof by repayment of his indebtedness, he may, on application to the Association, be allowed to do so by giving thirty days' notice in writing of such intention.

(Article 5, Section 6, old By-Laws, No. 1; Readopted as Section 36, 1-27-1900.)

SECTION 38, FORECLOSURES.

If any stockholder or any person shall neglect to pay the installments, fees or fines on his loan or the regular monthly installments, fees or fines on his shares for six months, the Association may compel payment of the principal, interest, premium, fees and fines due or to be due thereon by proceeding on his bond and mortgage or other security, which shall at once become fully due and payable, and may also dispose of the stock which has been deposited with it as collateral security and dispose of the same by advertising the same for at least five days for sale to the highest bidder, by written or printed notice posted in a prominent place in the office of said Association, and such notice shall set forth the day and hour on which said stock is to be sold.

SECTION 39, LOANS ON STOCK.

Stockholders may obtain a loan on their stock without security, not to exceed 90 per cent of the withdrawal value of such stock (New Section No. 1; readopted as Section 38, 1-28-1900.)

SECTION 40, INSURANCE.

All policies of insurance shall run direct to the owner of the property, with full mortgage contribution clause. All insurance (fire, wind or other cause) may be written at the home office of the Association and in such reliable companies as the Board of Directors may designate. All insurance, premiums, taxes or other charges which the

Association is obliged to pay to protect its interests in any property mortgaged to it shall operate as a lien against the same and bear interest at the rate of six per cent per annum.

(New Section, No. 1; Readopted as Section 39, 1-27-1900.)

SECTION 41, PAYMENT OF TAXES.

Any stockholder who has obtained a loan by giving taxable property as security shall be bound to pay all State, City and County or other taxes or assessments as they become due thereon, in addition to all payments, and his failure to do so shall make his loans, bonds, mortgage and interest at once payable, at the option of the Board of Directors.

(Article 11, Section 6, old By-Laws, No. 1: Readopted as Section 40, 1-27-1900.)

SECTION 42, FINES.

Any stockholder failing to pay any monthly installments on or before the last day of the month (not Sunday or a legal holiday) when such installment is due, shall pay a fine of one per cent per month on each installment for each month so delinquent. Borrowing members who shall neglect to pay any installment on interest on their loans as the same becomes due shall pay to the Association a fine of one cent per month on all arrearages.

(Article 4, Section 6, old By-Laws, No. 1; Readopted as Section 41, 1-27-1900.)

SECTION 43, AUTHORITY OF AGENTS.

No agent of this Association shall have any authority, express or implied, to make, alter or waive contracts, to make any promise concerning loans, to borrow money or contract bills of any nature, or to bond the Association in any way without special authority in writing from the proper officers. Agents are authorized to collect membership fees, and shall give such bond as may be required.

(Article 12, Section 6, old By-Laws, No. 1; Readopted as Section 42, 1-27-1900.)

SECTION 44, SUIT AGAINST THE ASSOCIATION.

No suit or action shall be brought against the Association after one year from the date at which the right of action accrues.

(No. 1, New Saction; Readopted as Section 43, 1-27-1900.)

SECTION 45, AMENDMENTS.

These By-Laws may be amended at any meeting of the stockholders by two-thirds vote of the stock. Provided that no amendment shall be considered unless the proposal is filed in writing at a regular meeting of the Board of Directors at least one meeting previous to action thereon by the stockholders.

(Article 1, Section 7, old By-Laws, No. 1; Readopted as Section 44, 1-27-1900.)

EXHIBIT B.

CAPITAL STOCK

\$25,000,000.

THE MICHIGAN SAVINGS AND LOAN ASSOCIATION,
DETROIT, MICHIGAN.

Number of Shares.... Number of Certificate....
 Number of Series....

This certifies, that.....of the
 ofCounty of
, and State of.....is
 hereby constituted a Shareholder of The Michigan Sav-
 ings and Loan Association, incorporated under the laws
 of the State of Michigan, and holds.....Shares
 in the.....Series therein of One Hundred Dol-
 lars each and in consideration of the entrance fee,
 together with agreements and statements contained in
 the application for membership in this Association, and
 full compliance with all the provisions and conditions
 of the By-Laws, a copy of which is attached to this
 Certificate, which is hereby referred to and made a part
 of this contract, the said The Michigan Savings and
 Loan Association agrees to pay to said shareholder
 or.....executors, administrators, or
 assigns, the sum of One Hundred Dollars for each of
 said shares, as soon as the payments together with all
 proper profits thereon shall cause all the shares in
 said.....series to attain the value of One
 Hundred Dollars each, as shown by the semi-annual
 statement of the Auditing Committee of said Association.
 All payments under this Certificate are payable at the
 home office of the Association in Detroit, Michigan, in
 accordance with the terms and conditions of said By-
 Laws.

Given under the seal of said Association at the City
 of Detroit, Michigan, this.....day of.....
 A. D. 18....

..... President.
 Secretary.

**THE MICHIGAN SAVINGS AND LOAN
ASSOCIATION. BY-LAWS.**

SECTION I.

NAME, LOCATION, OBJECT AND DURATION.

Art. 1. This Association shall be known as "THE MICHIGAN SAVINGS AND LOAN ASSOCIATION," and the principal office for the transaction of its business shall be located in the City of Detroit, County of Wayne and State of Michigan, but Advisory Boards may be established in any community where a sufficient number of shares of the Capital Stock of the Association shall be taken.

Art. 2. Its object shall be to afford its members a safe and profitable investment for their savings, and to aid them in the purchase and improvement of real estate.

Art. 3. This Association shall continue for the period of thirty years.

SECTION II.

CAPITAL STOCK.

Art. 1. The Capital Stock of this Association shall be Twenty-five Million Dollars, divided into Shares of One Hundred Dollars each.

Art. 2. All Stock shall be issued in Monthly Series, the certificates thereof dated on the first day of the month following the month of issue, and the Shares of each Series shall be paid within ninety days after the same shall have attained the par value of One Hundred Dollars, as shown by the Semi-Annual Statement of the Auditing Committee, upon demand of the holder or holders thereof.

Art. 3. This Association is purely mutual, and each shareholder shall be entitled, at all elections, to one vote for each share of stock held by him or her on which all dues, fines, etc., have been fully paid, not to exceed forty votes for any shareholder. (Sec. 7, Art. 50, Public Acts, 1887.)

SECTION III.

DIRECTORS, OFFICERS AND ANNUAL MEETINGS.

Art. 1. The corporate powers of the Association shall be exercised by a Board of Directors, consisting of seven members, two of whom shall be elected for three years, two for two years, and three for one year, and after the first year of each annual meeting there shall be elected for a term of three years a number of Directors, corresponding to the number of those whose terms expire at that annual meeting, provided, that the members of the first Board shall be classified as to their terms of office as said members shall decide.

Art. 2. The officers of this Association shall be a President, Vice-President, Secretary, Treasurer and Attorney, to be elected by and from the members of the Board of Directors at their Annual Meeting. (Sec. 5, Art. 50.) All vacancies in the Board of Directors from death, resignations or otherwise, and all vacancies from any office from any cause shall be filled by the Board of Directors, until the next annual meeting of the Association.

Art. 3. All bonds to this Association from any officer or agent shall be approved by the Board of Directors and filed with the President.

Art. 4. The Annual Meeting of this Association shall be held in the City of Detroit, at 7:30 o'clock p. m., on the third Saturday in January of each year. All annual and special meetings of the stockholders of this Association shall be held at the office of the Association in the City of Detroit, Michigan. Special meetings of the stockholders shall be held at such times and for such purposes as may be ordered by the Board of Directors, and special meetings shall be called by the Secretary whenever requested to do so by a written request signed by any twenty-five of the stockholders of this Association, and such special meeting shall be called for such time and for such purpose as is designated in such written request. Notice of the Annual Meeting shall be given by publishing same in a newspaper printed and published in the City of Detroit, Michigan, daily, for the fourteen days immediately preceding the third Wednesday in January of each year. Notice of each and every special meeting shall be given to each and every stockholder of the Association by mailing to his or her address, as given in the books of the Association, a

written or printed notice (which notice shall specify the purpose for which said special meeting is called) at least ten days previous to the time of calling such special meeting.

Art. 5. Regular Monthly Meetings of the Board of Directors shall be held at such time each month as the Board may determine. Special Meetings of the Board may be called at any time by the Secretary, and shall be called upon request of any Director made to the Secretary.

Art. 6. It shall be the duty of the Board of Directors to determine the sufficiency of all security offered for loans, and attend generally to the financial affairs of the Association. They shall have the management of the business of the Association not otherwise provided for in the By-Laws, and they shall have control of the Expense Fund to be used in managing the business of the Association. They shall cause the Secretary to mail an annual statement of the condition and business of the Association, as provided by law. A majority of the Board shall constitute a quorum for the transaction of any business. All Directors and Officers shall receive such compensation as the Board of Directors shall determine. The rate of premium to be paid by borrowing members shall be fixed by the Board of Directors, and may be changed at any meeting of the Board, without notice; but such change shall in no wise affect any existing contracts. The rate of dividends to be paid upon Dividend Bearing Coupon Stock shall be determined and fixed by the Board of Directors at any stated meeting of the Board, and may be changed from time to time as the business of the Association shall warrant, provided, that such change shall not affect any issued shares of such series.

Art. 7. It shall be the duty of the President to preside at all the meetings of Shareholders and Board of Directors, sign all certificates of stock, and perform all other duties usually pertaining to this office.

The Vice-President shall perform all the duties of President in the absence of that officer, and in the case of vacancy in the office of the President, shall act as President until the vacancy is filled.

Art. 8. It shall be the duty of the Secretary to attend all meetings of the Board of Directors, and the Shareholders; to receive all money paid into the Association, and to pay the same over monthly to the Treasurer. He shall keep all the books of the Association and all accounts between the Association and the Shareholders;

issue all notices, conduct all correspondence, draw and sign all orders on the Treasurer, and sign all certificates of stock. Whenever required by the Board, he shall submit a statement in writing of the financial affairs of the Association. The books of the Association kept by him shall be at all times subject to the inspection of the Board. He shall under the direction of the Board of Directors see to the settlement of all claims and bills, attend to all advertising, printing and publications, keep insured all interests the Association may have in any building or property liable to loss by fire; he shall, with the assistance of the Attorney, protect the interests of the Association in all tax sales or forfeitures, or foreclosures of property in which it may hold any interests. He shall receive from the Attorney, after being recorded, all deeds, mortgages, or other documents pertaining to the business of the Association, and make proper entry of the same in books kept for that purpose. He shall give bond, to be approved by the Board of Directors, for the benefit of the Association, conditioned for the faithful performance of the duties of his office. He shall receive such compensation for his services as the Board of Directors may determine.

Art. 9. It shall be the duty of the Treasurer to receive all moneys belonging to the loan fund from the Secretary, and to keep a correct account of the same and of the money paid out by him. He shall pay out said money only on the order of the President (or Vice-President) and Secretary when duly authorized so to do by the Board of Directors. He shall receive from the Secretary and keep on file all securities for loans made by this Association; provided, that the same shall be accessible for examination by the Board of Directors or any member thereof, upon application at any time during banking hours. He shall furnish the Board of Directors, when required, a statement in writing or otherwise, of the full business of his office. He shall furnish a satisfactory bond, to be approved by the Board of Directors for the benefit of the Association, conditioned for the faithful performance of the duties of his office, in conformity with the By-Laws and the order of the Board of Directors.

Art. 10. It shall be the duty of the Attorney to examine all abstracts and records relating to the title of real estate offered as security for loan, and certify in writing to the Board of Directors all facts within his knowledge that might affect the interests of the Asso-

elation in case such security were accepted. He shall act as counsel in behalf of the Association, and furnish legal advice in any and all case or cases in litigation. He shall prepare all papers incident to making sales and securing loans by the Association, cause them to be properly executed, cause the same to be recorded in the proper office of the County, and when so recorded, deliver the same to the Secretary, and in general do and perform all things incident to his office.

Art. 11. No officer or officers of the Association shall execute any note or promise to pay money or accept any draft unless authorized so to do by the Board of Directors.

Art. 12. The Corporate Seal of this Association shall be as follows:

SECTION IV.

FUNDS.

Art. 1. The receipts of said Association shall be divided into two classes, which shall be called respectively the Loan Fund and the Expense Fund. The Expense Fund shall consist of all entrance, transfer and attorney fees, together with ten per cent of the monthly installment payment on shares, and this Fund, so constituted, shall be devoted to the payment of operating expenses, including amounts paid for insurance or taxes on property on which loans have been made and fees, costs and disbursements of foreclosure; and the Loan Fund shall consist of all other moneys received by the Association.

SECTION V.

MEMBERSHIP.

Art. 1. All new Shareholders elected or appointed as Directors, shall concur in and accept previous resolutions, agreements and obligations adopted by the Board of Directors of the Association.

Art. 2. Persons desiring to become Shareholders of this Association, must make application according to the form provided for that purpose by the Association, pay a Membership Fee of One Dollar per share and

agree to be governed by the By-Laws of this Association and such other rules and regulations as may be adopted. But no membership fee shall be required to be paid by applicant for Dividend Coupon Shares.

Art. 3. The Application for Membership, the By-Laws and the Certificates, and terms and condition of shares, form the contract between the members and the Association.

Art. 4. The shares of Capital Stock of this Association shall be issued in two classes, Installment Stock and Dividend Bearing Coupon Stock. The Installment Stock shall be issued payable by monthly installments of either one dollar or fifty cents, and the Dividend Bearing Coupon Stock shall be issued as provided in these By-Laws. Each Shareholder of the One Dollar Installment Shares shall pay or cause to be paid a monthly installment of One Dollar on each share named in his or her Certificate, until the said shares shall have reached the par value of One Hundred Dollars each; and each Shareholder of Fifty Cent Installment Shares shall pay or cause to be paid a monthly installment of Fifty Cents on each share named in his or her Certificate, until the said shares shall each have reached the par value of One Hundred Dollars; said installments to be paid to the Association on or before the twenty-fifth day of each calendar month, provided, that when the twenty-fifth day of any month shall occur on the first of the week, commonly called Sunday, then said installment shall be paid on or before the previous day. In case any Shareholder shall fail to pay any monthly installment on the time named, he shall be required to pay a fine of two cents on each installment per share for each month so delinquent.

Art. 5. Any Shareholder wishing to withdraw from the Association may be allowed to do so, but the Association shall not be required to pay out more than one-half of the net receipts of the monthly installments paid in that month. (Sec. 6, Art. 50.)

Art. 6. Shareholders withdrawing their stock shall be entitled to receive all amounts paid in, except the entrance fee, ten per cent from each monthly installment per share, and such fines as may be due, together with simple interest as follows: On all certificates running three months and under two years, six per cent per annum, on all certificates running two years and under four years, seven per cent per annum; interest on all certificates in force four years and upwards, eight per cent per annum; interest to be computed on the sum

refunded for the average time that said sum has been paid.

Art. 7. The Association reserves the right to cancel any Certificates of Stock after five years from the date of its issue by paying to the holder thereof the full value of said shares, as shown by the preceding semi-annual statement of the Auditing Committee.

Art. 8. Dividend Bearing Stock may be issued and sold not less than \$100 per share, upon which annual dividends not to exceed eight per cent per annum may be paid in semi-annual installments. Such stock shall be withdrawable subject to the same limitations as other withdrawals under the law, and interest at the rate of seven per cent per annum shall be allowed in lieu of dividends for the period elapsing since the preceding semi-annual dividend up to date of notice of withdrawal; provided, however, that a reduction of five dollars per share shall be made for all shares withdrawn within six months of their date of issue. The taxes required by law shall be paid on such shares out of the expense fund of the Association, and so much of the earnings of such shares as may be necessary over and above the amount paid as dividends thereon may be accredited to the expense fund to pay taxes and other charges upon said shares; and the surplus, if any, shall be credited to the profit account of the other shares of stock issued by the Association. Installment and other shares may be at any time converted into fixed dividend stock by the surrender thereof and the payment of such an amount in addition to the then withdrawal value of such shares as will make the total amount paid in on such shares one hundred dollars each. Fixed dividend shares may also be issued to any shareholder in the ratio of one share per each one hundred dollars of the withdrawal value of the shares surrendered. Withdrawing holders of Dividend Bearing Shares shall be subject to the provisions of Art. 5, Sec. 6 of these By-Laws. No part of the amount paid in upon Dividend Bearing Shares shall be written into the expense fund, but the proportionate part of the expense of such shares shall be deducted from the earnings thereof semi-annually. The Board of Directors shall have the right to retire fixed dividend stock issued in the inverse order of its issue, by giving notice to the holders thereof in writing, specifying the date of such retirement; but the shares so retired shall be entitled to receive the full dividends thereon up to the date of the cancellation.

Art. 9. Any Shareholder may transfer his shares at any time when they are not in arrears by endorsing such transfer on the back of his certificate, provided, that such transfer shall be by the approval of the Secretary of the Association, endorsed on said Certificate. To secure such approval and have the proper entries made on the books of the Association, the Certificate must be sent to the home office accompanied by a transfer fee of ten cents for each share represented by said Certificate, to be paid by the purchaser of said shares.

Art. 10. All remittances for installments, interest, fines, and all other payments to the Association, except entrance fees paid to duly authorized agents, shall be remitted to the Secretary of the home office without notice from the Association, and all money paid to the Secretary of a local Advisory Board, or to a local agent, is made to such person as the agent of the party paying, and not as the agent of the Association.

Art. 11. Each Shareholder of stock shall be charged with any and all amounts that may be owing from the Shareholder, or his assigns, to the Association, whether in dues, fees, loans, interest, premiums, and all Certificates of Stock in said Association shall, whether mentioned therein or not, be subject to a lien thereon to secure any such indebtedness, and the right to withhold any such indebtedness is hereby reserved to the Association.

Art. 12. Upon the death of a Shareholder, the Board of Directors of the Association may elect within sixty days to allow the legal representatives of the deceased either to continue his shares to maturity, or to accept upon a surrender of a Certificate of Shares to the Association, the sum due in case of ordinary withdrawals, as provided in Art. 6 of this Section.

Art. 13. It shall be the duty of every Shareholder for his or her legal representatives upon changing his or her residence or postoffice address, to immediately notify the Secretary of the Association of his latest residence or postoffice address.

Art. 14. Stock in this Association is non-forfeitable, but if a monthly payment on any share becomes past due for a period three months or more, such share shall, at the option of the Board of Directors, be sold at auction for the purpose of paying the arrearages, by giving at least ten days' notice, and publish the same at least twice in some newspaper in the City of Detroit, at any stated meeting of the Board of Directors. The

delinquent shareholders shall be notified of the intention of the Board of Directors to sell such stock by the Secretary of the Association at least thirty days before the same shall be sold, by depositing such notice in the postoffice to the address of such delinquent shareholder as given by him to the Association. The proceeds of such sale shall first be used to pay all delinquent installments and fines, and the balance remaining, if any, shall be paid to the member in whose name the stock stands on the books of the Association at the time of the sale. If the stock brings no more than enough to pay accrued fines and expense of such sale and monthly payments, it shall be bid in by the Association and cancelled, and all money standing to the credit of such stock in the loan fund shall be considered forfeitable to the Association.

SECTION VI.

LOANS.

Art. 1. Each Shareholder for each share named in his or her Certificate, shall be entitled to a loan of One Hundred Dollars, provided he shall bid the highest premium for the preference or priority of loans, as provided in the Act under which this Association is organized, subject to the provisions of these By-Laws, as to security, the condition of the Loan Fund to be always considered as to the ability of the Association to supply wants of intending borrowers. All applicants for a loan shall make application for such loan on a blank provided for that purpose.

Art. 2 All loans made by this Association shall be upon satisfactory bond and first mortgage secured on real estate, together with fire insurance policy in case of improved property. Said borrower shall also transfer in pledge to the Association, one or more shares of the stock held by said Stockholder for each One Hundred Dollars as collateral security for his loan. All borrowers shall pay interest at the uniform rate of sixty cents per month on each share of stock borrowed upon, payable monthly at the time of the payment of the regular monthly instalments.

Art. 3. Abstracts of title must be furnished by the borrowers, and the Attorney of this Association must report a clear title to said property in the applicant for a loan,

as shown by said abstract. All applicants for a loan whose security has been approved and who have secured the privilege of a loan, must pay an attorney fee to the Association of One Dollar for each share borrowed on, not to exceed Ten Dollars, and also all costs of recording the papers necessary to close the transaction.

Art. 4. Borrowing members who shall neglect to pay any installments of interest on their loans as the same become due, shall pay to the Association a fine of two per cent per month on each share borrowed on by said borrower from the Association.

Art. 5. Should a shareholder whose property is mortgaged to the Association desire to release the same or any part thereof by prepayment of his indebtedness, he may, on application to the Association, be allowed to do so, by giving thirty days notice of such intention.

Art. 6. Any shareholder may have his mortgage transferred from one piece of property to another by giving thirty days notice, and by the consent of the Board of Directors, the shareholder to pay all expenses incurred by the transfer of the same.

Art. 7. Any shareholder may sell or transfer property mortgaged to the Association, and the purchaser may assume all stipulations, agreements and conditions of the original mortgagor, by a proper instrument of writing to be paid for at his own expense, provided, the same shall be assented to by the Board of Directors. Said person purchasing may also purchase the shares held by said Shareholder, and they will be transferred on the books of the Association to said purchaser. All installments, interest and charges thereon being paid up to the time of the transfer, and upon payment of fees therefor; or the Association may accept a new mortgage from said purchaser to secure the former loan, upon the same or other sufficient property, upon payment of all fees and expenses thereof.

Art. 8. All deeds, bonds, leases, or other written instruments required to be executed, and all satisfactions and releases of mortgages and other indebtedness ordered by the Board of Directors, shall be signed in the name of the Association by the President, and countersigned by the Secretary, and when necessary, acknowledged by the President and Secretary in their official capacities, and have the corporate seal attached.

Art. 9. If any shareholder or any person shall neglect to pay the installments, interest or fines on his loan, or

the regular monthly installments, fees or fines on his shares for six months, the Association may compel payment of principal, interest, fees and fines due or to be due thereon by proceeding on his bond and mortgage, which shall at once become fully due and payable, and may also dispose of the stock which has been deposited with it as collateral security, and dispose of the same by advertising the same, for at least five days, for sale to the highest bidder, by written or printed notice, posted in a prominent place in the office of said Association; and such notice shall set forth the hour and the day on which said stock is to be sold. Time, punctuality and strict performance on the part of all members, borrowers, shareholders, in payment of monthly installments, interest, fines, fees, or loans, are made the essence of the contract.

Art. 10. Any shareholder may pay his installments or interest in advance, or deposit with the Association money to be used for such payments as they may fall due, and the Association will receipt for the same.

Art. 11. Any shareholder who has obtained a loan by giving taxable property as security, shall be bound to pay all State, city and county, or other taxes or assessments as they become due, in addition to all other payments, and his failure to do so will make his loans, bonds, mortgages and interest at once fully due and payable at the option of the Board of Directors.

Art. 12. No agent or officer of this Association shall have power to waive or alter any of the conditions or provisions of these By-Laws, or of the Applications for Membership, Applications for a Loan, Certificates of Shares, or the printed literature of the Association.

SECTION VII.

AMENDMENTS.

Art. 1. These By-Laws may be amended, supplemented, altered, repealed, or suspended at any special or annual meeting of the Shareholders by a two-thirds vote of the vote cast at the meeting, but no such amendment shall alter or affect any existing contract of certificate already made, without the assent of the parties interested. Such proposed amendment or alteration to be first submitted in writing at the stated meeting immediately preceding.

The following is printed in red ink across face of said by-laws:

"These by-laws amended as per enclosed copy."

Received of 18

THE MICHIGAN SAVINGS AND LOAN ASSOCIATION.

..... Dollars,
the full amount due on the within Certificate of Shares,
and said Certificate is hereby surrendered and ordered
cancelled.

In presence of

.....

.....

.....[L.S.]

ASSIGNMENT.

For-value received, I hereby assign, transfer and set over
all my right, title, and interest in and to the.....Shares
named in the within Certificate No.....to.....
..... of, County of
....., State of.....,
who will pay all installments and other payments upon
the same.

In presence of

.....

Signed.....[L.S.]

N. B.—This Certificate must be sent to the Secretary at
the Home Office with 10 cents for each share represented
therein for approval of above assignment.

The above assignment is made upon the books of the
Association and approved this.....day of....., 18..

.....Secretary.

ASSIGNMENT AS COLLATERAL.

I hereby assign, transfer and set over all my right, title
and interest in and to the.....Shares named
in the within Certificate No.....to

THE MICHIGAN SAVINGS AND LOAN ASSOCIATION.
as security for a loan obtained by me from said Associa-
tion.

Dated at.....thisday of....., 18..

In presence of

.....

.....Shareholder.

EXHIBIT C.

Shares \$1.00 each.

Capital Stock, \$25,000,000.

Incorporated Under the Laws of the State of Michigan.

THE MICHIGAN SAVINGS AND LOAN ASSOCIATION.

No. of Shares.....

No. of Certificate.....

DETROIT, MICH.

This certifies that.....of.....

County of.....and State of.....is a

member of The Michigan Savings and Loan Association of
 Detroit, Michigan, and is the owner and holder of.....
 Shares of paid up Stock therein.

Given under the seal of said Association at the City of
 Detroit, Michigan, this.....day of.....

A. D. 18....

.....Secretary.President.

THE MICHIGAN SAVINGS AND LOAN ASSOCIATION.

DETROIT, MICH.

The following Articles of Section V of the By-Laws of
 this Association are hereby referred to as a part of this
 contract:

ART. 6. Shareholders withdrawing their stock shall be
 entitled to receive all amounts paid in, except the entrance
 fee, ten cents from each monthly installment per share,
 and such fines as may be due, together with simple inter-
 est, as follows: On all certificates running three months
 and under two years, six per cent per annum; on all cer-
 tificates running two years and under four years, seven

per cent per annum; and on all certificates in force four years and upwards, eight per cent per annum, interest to be computed on the sum refunded for the average time that said sum has been paid.

ART. 7. The Association reserves the right to cancel any certificate of stock after five years from the date of its issue, by paying to the holder thereof the full value of said shares, as shown by the preceding semi-annual report of the auditing committee.

ART. 8. Paid up stock may be issued and sold at the price of fifty-six dollars per share, one dollar of which shall be for entrance fee, payable on the date of issue. Any parties holding such paid up stock may withdraw the same before maturity, less the regular entrance fee, and receive annual interest from the date of issue of said stock, as provided in Article 6 of this Section: Provided, that such withdrawal shall be subject to the same limitations as other withdrawals under the law, and provided further, that three dollars on each of said shares may be used for expenses, besides membership fee, whether withdrawn before maturity or not.

ART. 9. Any shareholder may transfer his shares at any time when they are not in arrears by indorsing such transfer on the back of his certificate, provided, that such transfer shall be by the approval of the Secretary of the Association, indorsed on said certificate. To secure such approval and have the proper entries made on the books of the Association, the certificate must be sent to the home office accompanied by a transfer fee of ten cents for each share represented by said certificate, to be paid by the purchaser of said shares.

The first part of Article 6 refers to installment stock, but the latter portion, together with subsequent articles here quoted, refer to paid up stock as well:

"At no time shall more than one-half of the funds of the treasury of the corporation be applicable to the demands of withdrawing stockholders without the consent of the Board of Directors, and no stockholder shall be entitled to withdraw whose stock is held in pledge for security."—*Act 50, Public Acts 1887.*

No agent has authority to change this Contract in any way, and the Association assumes no obligation for any statements not contained in its printed literature.

Whenever the amount standing to the credit of this Certificate equals \$100 per share, the stock shall be deemed to have matured, and the legal holder hereof shall be

entitled to withdraw the same and to receive \$100 per share therefor.

ASSIGNMENT.

For value received, I hereby assign, transfer and set over all my right, title and interest in and to the.....Shares named within Certificate, No.....to.....of County of....., State of who will pay all installments and other payments upon the same.

In presence of

..... Signed[L.S.]

N. B.—This Certificate must be sent to the Secretary at the Home Office with 10 cents for each share represented therein, for approval of above assignment.

The above assignment is made upon the books of the Association and approved this.....day of....., 18..

.....Secretary.

Received.....18....of the Michigan Savings and Loan Association.....Dollars, the full amount due on the within Certificate of Shares, and said Certificate is hereby surrendered and ordered cancelled.

In presence of

.....

.....

.....[L.S.]

In writing to the Home Office always give the Number of this Certificate. Always notify the Association of any change in your postoffice address.

EXHIBIT D.

THE MICHIGAN SAVINGS AND LOAN ASSOCIATION
OF DETROIT.

CAPITAL	\$25,000,000.00.
No. of Certificate....	No. Shares....
Amount \$.....	

In consideration of the payment of Five Hundred Dollars, the receipt whereof is hereby acknowledged,.....
ofCounty of..
and State of.....

is hereby constituted a shareholder of The Michigan Savings and Loan Association of Detroit, Michigan, and is the owner of five shares of its "Fixed Dividend" Stock of the par value of One Hundred Dollars, and The Michigan Savings and Loan Association of Detroit, Michigan, hereby agrees to pay to said.....
 heirs, executors, administrators, and assigns, on or before five years from the date hereof, at its Home Office in the City of Detroit, State of Michigan, the sum of Five Hundred Dollars.

And further agrees to pay dividends upon said share at the rate of six per centum (6 per cent.) per annum, payable semi-annually, on the first days of September and March, in each year, at the Home Office of said Company in the said City of Detroit, upon the surrender of the coupons for said dividends hereto attached. The following terms and conditions are made a part of this certificate and are a part of the contract between the Company and Shareholder.

TERMS AND CONDITIONS.

First: Said shareholder having paid par for said shares, the same are absolutely non-assessable.

Second: The principal sum, of One Hundred Dollars per share, for each share mentioned herein, shall be due and payable at the date upon which the last coupon attached hereto is due:

Third: The Board of Directors shall have the right to retire fixed dividend stock issued in the inverse order of its issue, by giving notice to the holders thereof in writing, specifying the date of such retirement, but the shares so

retired shall be entitled to receive the full dividends thereon up to the date of the cancellation.

Fourth: This stock is withdrawable subject to the same limitations as other withdrawals under the law, and interest at the rate of six per cent. (6 per cent.) per annum shall be allowed in lieu of dividends for the period elapsing since the preceding semi-annual dividend up to date of notice of withdrawal; provided, however, that a deduction of five dollars per share shall be made for all shares withdrawn within six months of their date of issue.

In Witness Whereof, The Michigan Savings and Loan Association has caused its Corporate Seal to be affixed hereto, and these Presents to be signed by its President and attested by its Secretary this.....day of..... in the year One Thousand Eight Hundred and..... Secretary.President.

This stock is paid up and non-assessable.

Attached to said share or certificate (Exhibit D) made a part of it and issued with it, were ten coupons each in the following words and figures:

\$.....

**THE MICHIGAN SAVINGS AND LOAN ASSOCIATION
OF DETROIT, MICH.**

Will pay to bearer.....dollars upon presentation of this coupon on the First day of.....18.... or thereafter at the Company's office in the City of Detroit, Mich. Being for semi-annual dividends on its Fixed Dividend Stock Certificate Numbered.....

F. B. WEMPLE,
Secretary.

JOHN E. CLARK,
President.

Said coupons being numbered respectively from one to ten, both inclusive.

Received of..... 18....

THE MICHIGAN SAVINGS AND LOAN ASSOCIATION

Full satisfaction of all claims and demands, at law or in equity, on the within Certificate of shares, and the same is hereby surrendered for cancellation.

Witness:

..... (SEAL.)

..... (SEAL.)

EXHIBIT E.

UNITED STATES OF AMERICA.

THE MICHIGAN SAVINGS AND LOAN ASSOCIATION
OF DETROIT, MICH.

No. of this Certificate.... Amount.....
No. of Shares..... \$.....

This certifies that.....of
County of....., State of....., is the
owner of.....Shares of Pre-Paid
Installment Stock, in The Michigan Savings and Loan
Association of Detroit, Mich., of the maturity or par value
of One Hundred Dollars each, upon which dues have been
paid in advance to the amount of Sixty-Five Dollars per
share, and the holder hereof is entitled to receive out of
the profits apportioned to said shares semi-annual dividends
in cash at the rate of Six per cent. per annum on the first
days of July and January of each year, upon the amount
so paid, but if carried until its par value is attained this
stock shall participate in the full profits of the Associ-
ation.

This stock is entitled to all the benefits and advantages
conferred upon it by the By-Laws of this Association, and
is issued to and accepted by the holder subject to all the
terms, conditions and limitations thereof.

In Witness Whereof said Association has caused this
Certificate to signed and sealed by its proper officers this
....., 19.....

.....President.Secretary.

Attached to said certificate of stock (Exhibit E) were
twenty coupons each in the following words and figures:

On the first day of January, 19...., The Michigan Sav-
ings and Loan Association will pay to bearer.....
dollars at the office of the Association in the City of
Detroit, Michigan. Being semi-annual interest on its pre-
paid Installment Stock Certificate.

No.....

F. B. WEMPLE,
Secretary.

JOHN E. CLARK,
President.

And twenty coupons in the following words and figures:

On the first day of July, 19....., The Michigan Savings and Loan Association will pay to bearer..... dollars at the office of the Association in the City of Detroit, Michigan. Being semi-annual interest on its pre-paid Installment Stock Certificate.

No.....

F. B. WEMPLE,
Secretary.

JOHN E. CLARK,
President.

Said coupons were numbered respectively from one (1) to forty (40) both inclusive.

ASSIGNMENT NO. 1.

For value received I hereby sell, assign, transfer and set over all my right, title and interest in and to the within Shares of Stock, Certificate numbered.....for....Shares, to..... of..... County of..... State of.....

Witness: (SEAL)

Assignment noted and approved, this.....day of....., 19.....

.....Secretary

N. B.—The transfer fee of Ten Cents per share must be sent to the Secretary at the Home Office with this assignment to secure transfer on books and approval.

ASSIGNMENT NO. 2.

For value received I hereby sell, assign, transfer and set over all my right, title and interest in and to the within Shares of Stock, Certificate numbered.....for....Shares, to..... of..... County of..... State of.....

Witness: (SEAL)

Assignment noted and approved, this.....day of....., 19.....

.....Secretary.

N. B.—The transfer fee of Ten Cents per share must be sent to the Secretary at the Home Office with this assignment to secure transfer on books and approval.

Received of..... 19....

THE MICHIGAN SAVINGS AND LOAN ASSOCIATION.

Full satisfaction of all claims and demands, at law or in equity, on the within Certificate of shares, and the same is hereby surrendered for cancellation.

Witness:

.....

..... (SEAL.)

..... (SEAL.)

EXHIBIT F.

NAME.	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issuc.	Date Pd.
Dodge, Wm. T.....	5768	\$ 301.12	\$ 78.12	6-92	6-98
Wright, Frank E.....	7149	59.64	3.44	....	....
Ryan, John C.....	4870	427.80	130.80	5-91	3-98
Adam, Wm. R.....	....	149.76	5.76	....	....
Wemple, Fred B.....	4667	1416.85	417.85	5-91	3-98
Secor, Phillip .....	....	635.53	194.53	....	3-98
Smith, Clarence	4445	500.00	176.00	5-91	3-98
Moorman, Rachel E...	4026	500.00	176.00	5-91	3-98
Farrand, Joseph	3454	1500.00	720.00	12-90	5-98
Werick, Geo. M.....	....	500.00	171.50	....	....
Banfield, Richard	4986	600.00	211.00	5-91	3-98
Bachand, S. ....	....	500.00	176.00	5-91	3-98
Bachand, S. ....	....	500.00	176.00	5-91	3-98
Bachand, S. ....	....	500.00	176.00	5-91	3-98
Grimore, Jos. ....	....	1152.61	468.61	....	8-98
Wagner, Geo. ....	....	1059.75	375.75	....	8-98
Cole, Edward	2034	538.20	196.20	7-90	8-97
Russel, Chas. E.	2357	1339.07	700.00	8-90	8-97
Reynolds, Wm.....	2929	500.00	162.50	9-90	8-97
O'Brien, John .....	....	800.00	260.00	....	8-97
McClellan, Lucien B....	6523	179.01	17.01	3-94	12-97
Davidson, Jas. E.....	6583	148.50	87.23	....	....
Bradley, Wm. E.....	3998	1000.00	480.00	1-91	12-98
Carl, William J.....	4680	800.00	260.00	5-91	2-98
Carmichael, Jos.	2518	415.85	182.85	9-90	8-97
Gillispie, Thos. H.....	2499	517.84	184.84	9-90	8-97
Robinson, Louis	2626	100.00	33.40	9-90	8-97
Krier, John H.....	2637	532.18	333.00	9-90	8-97
Schwanderman, E.....	2641	212.57	182.70	9-90	8-97
Jacobson, E. W.....	2688	527.46	198.96	9-90	8-97
McNoah, Mary	4556	200.00	70.40	6-91	3-98
Hoard, G. W.....	4211	100.00	35.20	5-91	3-98
Glenn, Herb R.....	4285	500.00	176.00	5-91	3-98
Osborne, Chas. E.....	4201	200.00	70.40	5-91	3-98
Wemple, Fred. B.....	4878	1000.00	325.00	5-91	3-98
Henderson, Hannah....	4109	1000.00	480.00	5-91	3-98
Cole, Seth R.....	5140	230.47	49.57	6-92	6-98
Bodwen, Edward	5228	1000.00	369.00	6-92	6-98
Knight, Wm. H.....	3605	800.00	277.00	3-91	7-97
Houk, Ch. E.....	3440	600.00	342.99	3-91	7-97
Sutherland, D. E.....	3598	1000.00	361.00	3-91	7-97
Owen, Jane	3880	800.00	281.60	4-91	7-97
Schobert, Geo. H.....	3883	501.71	177.71	4-91	7-97

NAME.	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issue.	Date Pd.
Schmerhorn, E. S.....	...	1058.33	538.38	....	7-97
Rauss, Paul .....	...	500.00	185.00	....	7-97
Cornish, Thos. ....	...	500.00	167.00	....	11-97
Schellhorn & Rich.....	...	500.00	144.50	....	....
Kitt, Wm.	4658	600.00	200.40	5-91	2-98
Scott, Geo. W.....	4707	700.00	233.90	5-91	2-98
Anderson, A E.....	...	600.00	200.40	....	2-98
Heisner, John W.....	5599	813.52	156.52	6-92	6-98
Swanson, Peter E.....	4819	900.00	300.60	5-91	2-98
Laupman, J. C.....	5213	501.12	69.12	6-92	6-98
Reeder, John T.....	6047	658.05	118.05	2-93	12-1900
Swanson, L. W.....	4299	1000.00	352.00	5-91	3-98
Buehrle, Jacob	4746	600.00	240.00	5-91	3-98
Quarnstrom, E. J.....	5068	1000.00	352.00	10-92	9-97
Martinek, Frank	4527	500.00	171.50	5-91	3-98
Kallim, Ludwig .....	...	500.00	171.50	1-90	1-98
Lee, Jno. E. ....	...	673.32	115.32	1-90	1-98
Hyde, Mary A.....	4421	500.00	158.00	5-91	3-98
Hickory, Elizabeth	4711	600.00	205.80	5-91	3-98
Thomas, Wm.	4708	600.00	205.80	5-91	3-98
Holland, Jos. K.....	5607	100.00	38.30	7-92	10-97
Holland, Jos. K.....	5391	500.00	194.00	7-92	10-97
Dee, Jas. R.....	...	1000.00	391.21	8-90	4-97
Lindberg, John	5732	820.98	295.38	7-92	10-97
Green & Ford.....	4705	1000.00	361.00	5-91	3-98
Taylor, Sarah	4665	1000.00	343.00	5-91	3-98
Stromberg, Peter	4710	600.00	205.08	5-91	3-98
McCardle, Wm.	5089	720.00	297.90	10-90	9-98
Turner, Geo. E.....	...	1031.21	365.21	3-90	12-97
Hardey, Margaret F....	...	1038.85	390.85	3-90	12-97
Eberhart, Henry J.....	...	500.00	176.00	....	....
Wertin, John K.....	7589	36.30	36	2-96	6-98
Gibbs, James H.....	...	1000.00	352.00	2-90	6-97
Anderson, Magnus.....	3324	1322.10	431.10	12-90	5-99
Coffa, Nora	1068	500.00	176.00	4-90	7-97
Fausser, Anna .....	...	1500.00	541.50	4-90	7-97
Miller, Helen A.....	2666	300.00	102.90	8-90	7-97
Carpenter, Adelia R....	3098	1000.00	361.00	2-91	7-97
Schwendeman, Mary....	2635	1000.00	343.00	8-90	7-97
Hanscom, Chas. A.....	3876	1000.00	370.00	3-91	7-97
Bean, Jas. E.....	4168	3000.00	1056.00	3-91	7-97
Amos, Dan E.....	...	2000.00	704.00	3-91	7-97
Flv, Mary F.....	2833	448.25	169.25	8-90	8-97
Flv, Mary F.....	5029	2894.04	1000.44	10-91	7-97
Fisher, Geo. D.....	...	2500.00	880.00	10-91	7-97
Emmons, Edgar G.....	3630	1000.00	352.00	3-91	7-97
Healey, Frank .....	...	200.00	66.80	3-91	7-97
Corignor, Victor	4543	1000.00	352.00	5-91	2-98

NAME.	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issue.	Date Pd.
Young & Moulthrop	4440	2080.00	712.00	5-91	2-98
London, Wm. ....	...	1034.88	359.88	5-91	2-98
Brink, Nels	3351	208.61	75.41	3-91	7-97
Oakes, James R.	3590	102.31	36.61	3-91	8-97
White, Milton F.	3320	208.61	75.41	3-91	7-97
Alpern, Morris	2840	519.65	177.65	6-10	4-98
Alpern, Casper	3496	1992.20	678.20	1-91	4-98
Coventry, Ettie	905	100.00	36.07	3-90	7-97
Kelley, Chas. F. ....	...	531.75	185.25	3-90	7-97
Ryan, Edward E.	1622	100.00	35.20	3-90	12-96
Whiteside, Jno. W.	4228	5000.00	1760.00	5-91	2-98
Loope, Geo. L.	4229	3000.00	1056.00	5-91	2-98
VanSyckle, W. H. ....	...	1500.00	528.00	4-90	7-97
Houck, Fred	4170	349.44	25.44	5-91	2-98
Hoyd, Ole.	5943	475.68	94.08	6-92	26-98
Ambler, Wm. H.	3569	300.00	105.60	12-90	5-99
Howard, Chas. H. ....	...	1000.00	352.00	....	7-97
Colwell, Henry J.	5039	510.48	85.68	6-92	6-98
Bunton, Arthur	726	310.71	108.21	3-90	12-98
Ehlke, Jr., Julius. ....	...	210.74	73.94	3-90	12-98
Wemple, Fannie .....	...	500.00	176.00	3-90	12-97
Carter, Fred J.	6129	160.80	16.80	4-93	9-98
Lyon, C. D. ....	...	102.56	36.16	3-90	12-97
Burt, Bates G.	4409	1803.60	507.60	5-91	3-98
Fox, Gretchen	2986	1843.20	592.20	9-90	7-97
Garlick, Mary E. ....	...	1000.00	480.00	5-90	12-97
Powler, Frank	7563	13.60	.10	2-96	5-98
Fern, Jennie A.	7464	101.73	2.73	12-95	12-99
Brigham, Wm. H.	7463	....	....	....	....
Brigham, Wm. H. ....	...	50.87	1.37	12-95	12-99
Parker, Abiram .....	...	146.88	2.88	12-95	12-99
Blount, Laura .....	...	104.92	38.32	12-95	12-99
VanWinkle, W. P. ....	...	1000.00	352.00	3-90	12-97
Fish, Eliza A.	1344	107.80	38.50	5-90	11-97
Venn, Richard	5877	93.85	10.15	8-92	7-97
Chafey, M. F.	5942	82.60	8.80	8-92	7-97
Warner, Ammon	1210	531.60	198.60	3-90	12-97
Diggins, Delos F.	2383	1022.53	365.53	....	12-97
Cook, Chas. T. ....	...	1584.86	599.36	....	12-97
Russel, Eugene D. ....	...	183.45	21.45	....	12-97
Gardner, Louise M. ....	...	404.66	196.66	....	7-97
Healey, Charles .....	...	1000.00	415.00	....	7-97
Connor, Richard .....	...	524.92	292.00	....	7-97
Clark, Ira A. ....	...	543.65	197.15	....	7-97
Weurth, J. Fred.	1389	521.56	193.06	6-90	1-1900
Schmidt, John F.	1390	311.73	114.63	6-90	1-1900
Hoelzle, John F.	1411	521.56	193.06	6-90	1-1900
Wemple, Geo. G. ....	...	4000.00	1408.00	....	11-97

NAME.	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issue.	Date Pd.
Barrett, Geo. G.....	.....	822.92	291.92	....	....
Burkhead, Sam G.....	.....	1040.70	347.70	6-92	12-97
Forrest, Jane K.....	1716	1136.03	423.22	6-90	7-97
Duffield, Bethune	1741	721.80	268.20	6-90	6-98
Lyon, C. D.....	.....	102.56	34.16	2-98	....
Dudley, Albert L.....	.....	500.35	176.35	1-90	1-98
Smith, Henry K.....	4106	106.20	20.85	5-91	3-98
Wright, John K.....	5266	356.62	47.92	6-92	6-98
Howell, Mrs. J. D.....	.....	305.25	48.75	....	6-98
McLeod, J. H.....	4789	305.23	47.73	5-91	3-98
Fritz, M. J.....	6662	1513.50	528.00	5-91	3-98
Cadzow, John M.....	4104	127.08	20.88	5-91	3-98
McDuff, Peter .....	.....	1000.00	352.00	1-90	1-98
First National Bk. of					
Bay City	5399	700.00	.....	4-92	3-1901
Zanella, Eugenie	5065	435.43	102.43	10-91	3-1901
Carpenter, Adelia	3098	1000.00	361.00	2-91	9-97
Thomas, Wm.	4708	600.00	205.80	5-91	3-98
Bump, Orrin	5627	501.12	69.12	7-92	12-97
Beatty, Clarence C.....	5382	503.25	179.25	8-99	2-1901
McMullen, Edward	7089	283.50	171.40	8-99	4-1901
Wray, Rebecca	5612	.....	.....	.....	.....
	5264	192.60	.....	12-92	2-1901

EXHIBIT G.

NAME.	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issue.	Date Pd.
Kitching, H. A.....	137	\$ 500.00	\$ 162.10	2-93	9-98
McLaughlin, J. R.....	304	500.00	16.63	2-93	9-98
Ryan, Edward E.....	523	100.00	3.55	12-91	11-1900
Leszeyanski, P. J.....	563	200.00	2.91	6-96	3-1900
Hancock, Jane	967	300.00	21.00	6-98	3-1900
Kitching, Caroline	517	3000.00	.....	6-98	3-1900
Hill, E. & Sons.....	.....	3600.00	36.16	2-97	3-1900
Seaman, Frank G.....	.....	1000.00	14.00	6-96	11-97
Zuzshette, H. C.....	.....	500.00	.....	6-96	11-97
Burkhead, Samuel G...	666	900.00	5.44	12-96	4-99
Edwards, Mary	437	100.00	2.35	2-96	12-97
Galvin, Martin E....	756-759	4000.00	.....	6-97	12-97
Corliss, John B.....	.....	1000.00	.....	3-97	12-97
Clark, John E.....	.....	1000.00	.....	3-97	12-97
Ives, Butler .....	.....	1000.00	.....	3-97	12-97
Scripps, Geo. H.....	592	1500.00	40.24	....	....
Wilson, Wm. R.....	827	100.00	.....	9-97	2-98
Vallenburg, G. V.....	749	200.00	.....	6-97	4-98
Park, Edward L.....	.....	1000.00	24.63	9-97	4-98
Ottenger, Frank M....	400	300.00	1.80	12-95	4-98

NAME.	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issue.	Date Pd.
Wurth, George	719	1000.00	.....	5-97	5-98
Robinson, Morris	864	1000.00	.....	1-98	6-98
Plessner, Paul .....	...	1250.00	.....	6-97	6-98
Jipson, W. C.....	915	500.00	.....	6-98	8-98
Jipson, W. C.....	914	1000.00	.....	6-98	8-98
Kaumeyer, Rosie	876	1000.00	.....	3-98	11-98
Kaumeyer, Wm.	877	1000.00	.....	3-98	11-98
Swift, C. B.....	330	500.00	1.45	6-95	4-99
McArthur, A.	582	1000.00	.....	12-96	4-99
Gaylord, E. J.....	...	600.00	5.37	2-97	4-99
Waldo, F. O.....	703	1000.00	.....	3-97	2-99
Young, Theodore	1034	1000.00	.....	1-99	4-99
Boyd, Frank R.....	1035	500.00	.....	2-99	6-99
Hyde, Mary	723	1000.00	.....	6-97	12-1900
Sanford, Chas. W.....	290	500.00	.....	1-95	12-99
Boyd, Amma E.....	1085	600.00	.....	6-99	2-1900
Little, Wm. H.....	449	500.00	.....	2-96	2-1900
Coles, Henry	866	1000.00	.....	2-98	2-1900
Walsh, Maggie A.....	1024	500.00	.....	1-99	2-1900
Kaumeyer, Otto	874	500.00	.....	3-98	8-1900
Ballentine, Hugh	1014	500.00	.....	8-98	3-99
Gushe, Herman	499	500.00	.....	6-96	7-97
Billing, Edward T.....	806	500.00	.....	6-97	7-97
Fausser, Anne	541	500.00	.....	6-96	7-97
Pulver, Belle	913	1000.00	15.94	6-98	3-1900
Pulver, Belle	913	300.00	4.78	6-98	3-1900
Amberg, Fannie	1040	1000.00	.....	3-99	9-1900
Plessner, Paul	790	500.00	.....	6-97	3-1900
Plessner, Paul .....	...	500.00	.....	6-97	3-1900
Diggins, Delos F.....	704	500.00	.....	3-97	8-97
Henderson, Hannah....	761	500.00	.....	6-96	7-98
Burkhead, Samuel G...	665	100.00	4.66	12-96	8-97
Rose, L. M.....	493	1000.00	.....	12-96	8-97
Armstrong, Robt.	365	100.00	1.17	8-95	9-97
Kelley, Chas. F.....	173	500.00	6.00	9-93	10-97
Waldo, Frank O.....	703	500.00	13.06	3-97	9-1900
Farrand, Jos.	962	6000.00	.....	6-97	3-1900
Farrand, Phineas	60	1000.00	.....	3-92	8-97
Jipson, W. C.....	915	1000.00	.....	6-98	9-98
Montgomery, T. C....	922	500.00	.....	6-98	9-98
Fisk, M. M.....	322	500.00	.....	6-95	6-1900
Scholes, Richard	1069	1000.00	.....	3-99	6-1900
Thompson, Cora B....	1078	500.00	.....	6-99	12-1900
Kinkaid, Anna	1060-61	3000.00	.....	3-99	12-1900
Anderson, Helen M....	1057	2000.00	.....	3-99	12-1900
Hardt, Rodney G.....	1162	8000.00	.....	2-1900	9-1900
Galloway, Jas. S.....	928	5200.00	.....	6-98	12-1900

NAME.	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issue.	Date Pd.
Farrand, Phineas	332	1000.00	.....	6-98	12-1900
Scripps, Geo. H.....	692	2000.00	.....	2-97	4-98
Scripps, Geo. H.....	500	2500.00	.....	2-96	8-97
Scripps, Geo. H.....	593	4000.00	.....	12-96	1-98
Scripps, Geo. H.....	684	7000.00	.....	2-97	6-98
Galvin, Martin E.....	857	500.00	.....	2-97	6-98
Amberg, Lee	979-283	5000.00	.....	8-98	3-99
Amberg, Lee	1036-1039	5000.00	.....	3-99	4-1900
Kaiser, John	636	600.00	.....	2-97	4-99
Vier, August P.....	971-977	7000.00	.....	8-98	3-99
N. Haven Bkg. Co.....	607	500.00	.....	6-97	12-99
Clark, Whitman E.....	864	1600.00	.....	1-98	6-99
Sun Vapor Stove Co., a corporation	701 et seq.	1000.00	.....	3-97	2-1900

EXHIBIT H.

NAME.	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issue.	Date Pd.
Ambrose, Fred F.....	8202	\$ 399.00	.....	1-99	10-1900
Lilly, Chas. H.....	8213	325.00	.....	1-99	8-1900
Brown, Kittie A.....	8225	390.00	.....	2-99	2-1900
Althaver, Nicholas	8232	499.27	\$ 44.24	3-99	2-1900
Axford, L. C.....	8362	780.00	.....	3-99	11-1900
Axford, J. M.....	8400	520.00	.....	3-99	11-1900
Jones, Anna R.....	8464	65.00	.....	9-1900	11-1900
Cartwright, Jno. F....	8507	.....	.....	.....	.....
	8508	657.15	7.15	8-1900	4-1901
Cartwright, Jno. F....	8509	.....	.....	.....	.....
	8510	.....	.....	.....	.....
	8511	853.45	8.45	8-1900	2-1901

CIRCUIT COURT OF THE UNITED STATES

FOR THE EASTERN DISTRICT OF MICHIGAN.

SOUTHERN DIVISION,

IN EQUITY.

RALPH L. ALDRICH, Receiver of the Michigan Savings
and Loan Association, IN EQUITY, No. 3811.

vs.

John E. Clark, Frederick B. Wemple, Butler Ives, Thomas F. Hancock, John B. Corliss, William A. C. Miller, George L. Maltz, Samuel G. Burkhead, Jeanette K. Forrest, Bethune Duffield, George W. Colwell, Charles T. Cook, Louise M. Gardner, Richard Conner, J. Frederick Wuerth, J. Frederick Schmidt, J. Frederick Hoelzle, Eliza A. Fish, Nina L. Crowell, William H. Brigham, Abiram A. Parker, William P. Van Winkle, Julius Ehlke, Jr., Arthur Bunton, Mary E. Garlick, Charles F. Kelley, Edward E. Ryan, William H. Ambler, Adelia R. Carpenter, Morris Alpern, Casper Alpern, Henry J. Eberheart, James H. Gibbs, Magnus Anderson, Nora Coffa, Anna Fauser, Jacob Buehrle, John E. Lee, Mary A. Hyde, Joseph K. Holland, Margaret F. Hadley, Frank E. Wright, Samuel Bachand, James E. Davidson, William E. Bradley, Hannah Henderson, Seth R. Cole, Joseph Grimore, George W. Wagner, John O'Brien, Fannie Wemple, Jennie Fern, Orrin Bump, John W. Heisner, Peter Leszeyanski, Fannie Hancock, William J. Reynolds, William R. Wilson, Gust V. Vallenberg, Edward L. Park, Frank M. Ottenger, George Wuerth, Morris Robinson, Paul Plessner, Rosie Kaumeyer, William Kaumeyer, Theodore Young, Frank R. Boyd, Mary Hyde, Chas. W. Sanford, Anna E. Boyd, William H. Little, Henry Coles, Maggie A. Walsh, Otto Kaumeyer, Hugh Ballentine, Herman Gushe, Paul Plessner, Robert Armstrong, James S. Galloway, Richard Scholes, Martin E. Galvin, John Kaiser, New Haven Banking Co. (Corporation), Lee Amberg, Fanny Amberg, Rebecca Wray, The First National Bank of Bay City (a Corporation under the Laws of the United States), John F. Cartwright, Anna R. Jones, Nicholas Althaver, Kittie A. Brown, Clarence C. Beattie, Christian Houk, William Kitt, George W. Scott, Sarah Taylor, William McCardle,

George E. Turner, Helen A. Miller, Edgar G. Emmons, William R. Adams, Milton F. White, Laura Blount, Louise M. Gardner, Peter McDuff, Charles E. Osborne, Mary Edwards, Paul Rauss, Fred J. Carter, Frank G. Seaman, Fred O. Waldo, Robert Armstrong, August P. Vier, John M. Cadzow, John K. Wright, George G. Barrett, Delos F. Diggins, Eugene D. Russell, Charles Healy, Ira A. Clark, Richard Venn, Frank Fowler, Bates G. Burt, Gretchen Fox, John W. Whiteside, George L. Loope, Fred Houck, Ole Hoyd, Mary Schwendeman, James E. Bean, Dan E. Amos, Mary F. Ely, George D. Fisher, Frank Healy, Frank Martinek, William London, Nels Brink, James R. Oakes, Milton F. White, John K. Wertin, Helen A. Miller, Elizabeth Hickory, John Lindberg, William Thomas, Ludwig Kallin, Sarah Taylor, Peter Stromberg, William McCardle, James R. Dee, William K. Wright, Donald E. Sutherland, Jane Owen, George H. Schobert, Edbert S. Schermerhorn, Thomas Cornish, William Kitt, Victor Corignor, George W. Scott, Peter E. Swanson, William T. Dodge, John C. Ryan, Philip Secor, William R. Adams, Rachel E. Moorman, Joseph Farrand, Richard Banfield, William J. Carl, Joseph Carmichael, Thomas H. Gillespie, John H. Krier, Herbert R. Glenn, Edward Bowden, Lucien B. McClear, Belle Pulver, Joseph Farrand, Phineas Farrand, Cora B. Thompson, Anna Kincaid, Helen M. Anderson, Charles H. Lilly, Fred F. Ambrose, Edward M. Mullen, Charles A. Hanscon, Edgar G. Emmons, John T. Reeder, Eric J. Quanstrom, Clarence E. Smith, Eugenie F. Zanella, Robert T. Gray, administrator of the estate of George H. Scripps, deceased, The Sun Stove Co., a corporation under the laws of Michigan; Adolph Wheeler, Leonard A. Kirchner, N A. Saunders, John C. Comfort, Thomas H. Clark, Mae C. Gaylord, Julia Meriday, Laura J. Briggs, Mary B. Comfort, Joseph E. Cueny, Robert V. Campbell, Patrick J. Ryan, Mabel Kimmell, Cordella Hueston, William J. Mummery, Clinton DeWitt, Jesse Fremain, Charles A. Wagner, John B. Moritz, Peter McLean, Elizabeth Merry, Haensler, Katherine Feucht, Elizabeth Dietas, Charles F. Alban, William R. Candler, Jr., Burton E. Tobias, Francis J. Atwater, Lillie M. Patterson, John S. Crissman, Kolb, John A. Walling, James M. Parsons, J. Lee Potts, Henry Kapanke, C Waterbury, M H. Waterbury, Louis Knowles, Halloran, Anton O'Dill, John Harsen, Frank Groscup, Benjamin W. Hendricks, Ada R. Tucker, Louis Groscup, Thomas A. Daniel, Charles W. Loyd, Sarah E. Crew, Cassie Ryan, George Harper, Theodore Shellhorn, Amelia

Widman, Harry C. Moulthrop, Charlotte Harper, Addie C. See, John K. Miller, Isaac R. Parker, Clara B. Parker, James L. Russel, Lillie K. Donnelly, May E. Corwin, Flora D. Malone, William S. Cobb, Fred A. Helmer, J. Frank Helmer, Edson G. Walker, Kate Clark, Cappie House, Henry K. Bovice, Matt D. Blosser, Robert J. Kelly, Bruce J. MacDonald, William J. Butterfield, Edward J. Blumeneau, Charles J. Younghusband, Lillian H. Wemple, Melbourne G. Millman, John H. Wheeler, Byrom M. Caster, Wellington Doak, Louis F. Knowles, William H. West, Hattie E. Raymond, Addie M. Grilling, Claude C. Corwin, Daniel W. Clark, Charles Cassidy, Anna Cassidy, William Krause, Herman Krause, Howard N. Thomas, Eliza Smith, James E. Howard, Conrad Seckinger, Irena Seckinger, George Walz, Orilla F. Hobart, Frederick L. Mock, John C. Humphrey, John W. Gunsolus, Francis G. Stebbins, Flora A. Sears, Richard A. Watts, Charles Merry, Edgar F. Cleveland, Grace Carpenter, Charles E. Erickson, Anton Whele, Francis Jackson, Edwin A. Rasch, John Pattison, Jefferson M. Thurber, Alexander Stevenson, Leon Smith, Charles Beyslag, Herbert C. Zink, Gladys H. Zink, Thomas J. Millikin, Edwin T. Solis, Andrew J. Cummings, Louis Crockett, Joseph F. Simon, Deborah J. Stebbins, Theodore M. Josylin, H. Arthur Whitney, Fred P. Browne, Frank S. Pratt, Fred Wallington, Charles H. Howard, A R. Schelbe, Frank J. Moore, Phillip Broesamle, George Klump, Lydia C. Carey, William Putnam, Frank A. Treppa, John Taylor, Elizabeth A. Fish, Frank J. Grenke, Fred Ferguson, Katherine Brennan, Henry W. Prange, Isabela N. Cassie, Oshea F. Reynor, Annie E. Evans, Frederick L. Heideneick, Herman Geiske, Keibler, Landwehre, William Widmeyer, William Fisk, George F. Hoelzle, Jacob F. Wesch, Scott, Helmer, J. Earl Howard, Eva L. Herbert, William Wahl, John L. Stoddard, Fred A. Washburn, Allen Angell, Adelbert A. Coulson, Warren B. VanOrden, Fred A. Gippert, Elizabeth D. Chapman, James Lewis, Janet L. Russell, George W. Ames, Daniel Murphy, Leon Steckclair, E M. Gilbert, Mammie L. Hagle, Israel Young, Edward C. Babcock, Henry W. Simms, Frank E. Tyler, Rosa Haack, George F. Ambrose, William Plumstell, Harriet F. Drake, Thomas J. Cooper, William Schweikle, Adelbert E. R. Bush, Devere Hall, Edmund C. Hagerty, Leroy Brazee, Benjamin H. Briscoe, Frank J. Berckley, Milton F. Watson, James K. Miller, Byron A. Nixon, Edward A. Billings, George J. Vinz, Frank J. Stuart, Frank L. Covert, S. Henry Brown, Raymond Case, Louise A. Dumontier,

James McIntosh, John A. Walsh, Anna Walsh, Charles Gatz, H C. Benton, Frank E. Wellington, Peter Lamont, Aleithe Axford, David G. Osborne, Elizabeth Archer, John Kennedy, Olive A. Daniels, Viola A. Lester, William P. Cox, Fred Mayer, James S. Browne, Harry C. Ryan, Emily Wineman, Harry A. Kitching, Catherine Kitching, Edgar B. Clarkson, Charles A. Cassidy, Hannah Cassidy, Caroline B. Swift, A. Judson Burt, Elmore, Louise B. Swift, Susan V. Hill, Hattie A. Burt, Frank E. Hill, Christine A. Raby, Harriet L. Smith, Anna Cassidy, Joseph Goodyear, Rose, Caroline Kitching, Isaac C. Wolcott, Archibald MacDonald, Helen C. Knickerbocker, Bank of Linden (Corporation), Julia Younghusband, Sanford W. Buck, E J. Gaylord, R W. Parker, Jeanette L. Russel, Byram C. Robbins, Hannah L. Waldo, Frank D. Andrus, Hannah M. Sellick, Fritz J. Hill, Theresa Schreiber, John M. Schreiber, Adolph Kaumeyer, Jeffery N. Collins, John C. Snyder, Webster C. Jipson, Cora A. Jipson, Oliver Ely, Louis Merback, Alfred Curnow, Mary A. Boyd, William J. Altaver, Elmer W. Jacobson, George Jones, John Gestel, Edward S. Grierson, John Sterenz, James S. Monroe, Parmelia Keys, Stewart Bates, William Rothschild, Mary R. Dorsey, Edward Phillips, John H. Comstock, Charles H. O'Rourke, Cleophos Meilleur, Norman W. Hare, James Mercer, James H. Harrington, Jennie Rothschild, Abraham Kroutch, Michael P. Dorsey, Isabella Parnell, Christopher Parnell, Julius Wetzler, George W. Ladd, Christopher Roosen, Carleton A. Hammond, Henry A. Lederlee, Elk Rapids Iron Company (Corporation), Fitch R. Williams, James Gracey, James H. Goudy, James Murphy, Harry Hall, Octave Baril, Jeanie H. Goudie, James Goudie, John L. Bishop, John L. Murphy, Jacob Brenner, Albert J. Smith, William M. Empy, James F. Loope, Melvin O. Becker, Joseph W. Roche, F. L. Peck, August A. Johnson, J A. Ferguson, George M. Thayer, John T. Fox, Arthur J. Hemingway, Burnett Filkerson, John M. Dudley, George Wertheimer, Mary A. Backus, Oscar Creekbaum, Frank F. Vevia, Charles Michand, Frank J. Grenlech, Flavel J. Smith, Taft, Edward Perks, William A. Major, Philip Rehkopf, First State Bank, Petoskey (Corporation), William Baker, John Karamoe, Ella Lasch, John Whaley, Charles Christianson, Constantine Fleissuér, Comfort, Comfort, Fred Balsam, Robert B. Patterson, John Magnuson, William J. Gleason, William M. Gleason, Morris Bloomingstock, Mary E. Dowdingan, Cyrile Houle, Robert G. Jackson, Richard M. Samson, Jr., John I. Crissman, Anton O'Dill, John Larsen, Henry J. Brodenick, Nancy M. Hinsdill, Daniel McCoy, Reuben Hatch, Emma Bus-

bois, Ernest W. Hastings, William E. Treblecock, Lizzie
 Wedlake, Charles W. Hall, John E. Blomgren, Bert F.
 Wing, Mamie Erickson, Charles D. Towne, George D.
 Robinson, Andree Parrong, James Lowe, W. Bradley Law-
 ton, J B. Montgomery, William Burkett, Wil-
 liam J. Moody, John F. Allen, Margaret McCarthey, Mary
 Patenaude, Peter Johnson, Uriah B. Rogers, Minnie M.
 Holman, John H. Holman, Robert Gall, Margaret E.
 Jackson, Joseph Willmer, William Goggan, August Beck,
 Burton Schager, Louis Schager, Anton Schager, Lawrence
 Tabor, Stephen Loranger, Prosper Girard, Andrew M.
 Dahlberg, Leon Ogea, Andrew Carlson, Fred J. Bond,
 Harvey H. Jackson, Silas M. Wright, Robert Siller, Wal-
 ter A. Biss, Edward MacMullen, Kate Thompson, Melissa
 M. Fisk, Edwin R. Hill, Christian M. Thompson, Caroline
 Burt, Stanley A. Burt, Sarah J. Beach, Anna Cassidy,
 Hattie Gillett, Alfred S. Westlake, Hulda M. Burkhead,
 Mary Scheemer, Mary W. Hatch, Julia Tomlinson, George
 Huber, F H. Wallace, Mattie C. Straw, W
 E. Clark, Edward J. Frost, Helen M. Bryce,
 Clarence W. Morey George W. Watkins, Lucy J. Watkins,
 Russell C. Carter, Chauncey D. Brooks, Edward T. Bil-
 lings.

AMENDMENTS TO THE BILL OF COMPLAINT

in this cause, made pursuant to orders of this Court made May 2nd and 9th, 1904:

First: After the names of the parties to the bill named below, as they respectively appear in "Exhibit F" or "Exhibits G and H" attached to the original Bill of Complaint, add the words and figures below following their names respectively, viz:

NAME.	Cert. No.	Issued.	Paid.	Prin. Paid.	Profit or Int. Paid.
John T. Hoelzle....	3753	Jan. 1, 1891	May 18, 1899	\$346.50	\$210.25
James S. Galloway..	3767	Jan. 1, 1891	July 25, 1898	63.00	38.95
Maggie A. Walsh.. {	4847	July 1, 1891	Aug. 31, 1899	62.00	48.00
	5196	Dec. 1, 1891	June 25, 1900	101.08	49.08
Joseph Farrand	5278	Mar. 1, 1892	Dec. 31, 1900	1000.00	480.00
John T. Reeder.....	6048	Feb. 1, 1893	June 9, 1898	270.00	59.13
Daniel E. Amos....	7228	June 1, 1895	June 20, 1900	540.00	108.00
Geo Weurth	7538	Jan. 2, 1896	Sept. 28, 1900	414.00	70.63
Fannie Wemple.. {	.....	Mar., 1890	Dec., 1897	500.00	176.00
Lillian H. Wemple. {	6710	June 1, 1894	Nov. 13, 1900	482.50	34.90
Anna E. Boyd.....	1085-6-7	6-21-99	2-19-00	300.00	.....
Charles F. Kelley. }	516	7-1-96	8-9-98	500.00	.....
Charles F. Kelley. }	644-5	3-1-97	8-9-98	200.00	.....
Frank O. Waldo....	472-3-4-5	1-2-96	9-22-99	400.00	.....
Adello R. Carpenter	6616	3-1-94	11-8-00	425.00	21.84
Kittie A. Brown....	7102	3-1-95	12-21-00	189.95	.....
Christian Houk	7407	11-1-95	12-18-99	103.24	16.84
George Weurth	7538	1-2-96	9-28-00	414.00	70.63
John F. Cartwright.	8512	8-1-99	8-28-00	195.00	.....

Second: Strike out the letter "F" in the name F. O. Waldo as it appears in Exhibit G attached to the bill, and insert in its stead the word "Frank."

Third: Strike out the word "Fred" from the name Fred O. Waldo as it appears in paragraphs 2 and 47 of the bill, and insert the word "Frank" in its stead.

Fourth: Add the name "Paul Rauss" to Exhibit G attached to the bill, and opposite his name the following words and figures: "Certificate No. 788, issued 8/1/97, paid 8/4/98, principal paid \$500.00."

RALPH M. ALDRICH,
*Receiver of the Michigan Savings and
Loan Association.*

By DE FOREST PAINE,
His Solicitor.

DE FOREST PAINE,
Solicitor and of Counsel for Complainant.

AMENDMENTS TO THE BILL OF COMPLAINT

in the cause made pursuant to an order of this Court made the 18th day of April instant:

First: After the name "August P. Vier" and between it and the word "citizen" in the line next to the last in paragraph "2" of the bill, insert the following names, viz: Adolph Wheeler, Leonard A. Kirchner, N. A. Saunders, John C. Comfort, Thomas H. Clark, Mae C. Gaylord, Julia Meriday, Laura J. Briggs, Mary B. Comfort, Joseph E. Cueny, Robert V. Campbell, Patrick J. Ryan, Mabel Kimmell, Cordella Hueston, William J. Mummary, Clinton DeWitt, Jesse Fremain, Charles A. Wagner, John B. Moritz, Peter McLean, Elizabeth Merry, Haensler, Katherine Feucht, Elizabeth Dietas, Charles F. Alban, William R. Candler, Jr., Burton E. Tobias, Francis J. Atwater, Lillie M. Patterson, John S. Crissman, Kolb, John A. Walling, James M. Parsons, J. Lee Potts, Henry Kapanke, C. Waterbury, M. H. Waterbury, Louis Knowles, Halloran, Anton O'Dill, John Harsen, Frank Groscup, Benjamin W. Hendricks, Ada R. Tucker, Louis Groscup, Thomas A. Daniel, Charles W. Lloyd, Sarah E. Crew, Cassie Ryan, George Harper, Theodore Shellhorn, Amelia Widman, Harry C. Moulthrop, Charlotte Harper, Addie C. See, John K. Miller, Isaac R. Parker, Clara B. Parker, James L. Russell, Lillie K. Donnelly, May E. Corwin, Flora D. Malone, William S. Cobb, Fred A. Helmer, J. Frank Helmer, Edson G. Walker, Kate Clark, Cattie House, Henry K. Bovice, Matt D. Blosser, Robert J. Kelley, Bruce J. MacDonald, William J. Butterfield, Edward J. Blumeneau, Charles J. Younghusband, Lillian H. Wemple, Melborne G. Millman, John H. Wheeler, Byrom M. Caster, Wellington Doak, Louis F. Knowles, William H. West, Hattie E. Raymond, Addie M. Grilling, Claude C. Corwin, Daniel W. Clark, Charles Cassidy, Anna Cassidy, William Krause, Herman Krause, Howard N. Thomas, Eliza Smith, James E. Howard, Conrad Seckinger, Irena Seckinger, George Walz, Orilla F. Hobart, Frederick L. Mock, John C. Humphrey, John W. Gunsolus, Francis G. Stebbins, Flora A. Sears, Richard A. Watts, Charles Merry, Edgar F. Cleveland, Grace

Carpenter, Charles E. Erickson, Anton Whele, Francis Jackson, Edwin A. Rasch, John Pattison, Jefferson M. Thurber, Alexander Stevenson, Leon Smith, Charles Beyslag, Herbert C. Zink, Gladys H. Zink, Thomas J. Millikin, Edwin T. Solis, Andrew J. Cummings, Louis Crockett, Joseph F. Simon, Deborah J. Stebbins, Theodore M. Josylin, H. Arthur Whitney, Fred P. Browne, Frank S. Pratt, Fred Wallington, Charles H. Howard, A. R. Schelbe, Frank J. Moore, Phillip Broesamle, George Klump, Lydia C. Carey, William Putnam, Frank A. Treppa, John Taylor, Elizabeth A. Fish, Frank J. Grenke, Fred Ferguson, Katherine Brennan, Henry W. Prange, Isabela N. Cassie, Oshea F. Reynor, Annie E. Evans, Frederick L. Heideneick, Herman Gieske, Kiebler, Landwher, William Widmeyer, William Fisk, George F. Hoelzle, Jacob F. Wesch, Scott, Helmer, J. Earl Howard, Eva L. Herbert, William Wahl, John L. Stoddard, Fred A. Washburn, Allen Angell, Adelbert A. Coulson, Warren B. Van Orden, Fred A. Gippert, Elizabeth D. Chapman, James Lewis, Janet L. Russell, George W. Ames, Daniel Murphy, Leon Stecklair, E. M. Gilbert, Mammie L. Hagle, Israel Young, Edward C. Babcock, Henry W. Simms, Frank E. Tyler, Rosa Haack, George F. Ambrose, William Plumstell, Harriet F. Drake, Thomas J. Cooper, William Schweikle, Adelbert E. R. Bush, Devere Hall, Edmund C. Hagerty, Leroy Brazee, Benjamin H. Briscoe, Frank J. Berckley, Milton F. Watson, James K. Miller, Byron A. Nixon, Edward A. Billings, George J. Vinz, Frank J. Stuart, Frank L. Covert, S. Henry Brown, Raymond Case, Louise A. Dumontier, James McIntosh, John A. Walsh, Anna Walsh, Charles Gatz, H. C. Benton, Frank E. Wellington, Peter Lamont, Aleithe Axford, David G. Osborne, Elizabeth Archer, John Kennedy, Olive A. Daniels, Viola A. Lester, William P. Cox, Fred Mayer, James S. Browne, Harry C. Ryan, Emily Wineman, Harry A. Kitching, Catherine Kitching, Edgar B. Clarkson, Charles A. Cassidy, Hannah Cassidy, Caroline B. Swift, A. Judson Burt, Elmore, Louise B. Swift, Susan V. Hill, Hattie A. Burt, Frank E. Hill, Christine A. Raby, Harriet L. Smith, Anna Cassidy, Joseph A. Goodyear, Rose, Caroline Kitching, Isaac C. Wolcott, Archibald MacDonald, Helen C. Knickerbocker, Bank of Linden (corporation), Julia Younghusband, Sanford W.

Buck, E. J. Gaylord, R W. Parker, Jeanette
 L. Russell, Byram C. Robbins, Hannah L. Waldo,
 Frank D. Andrus, Hannah M. Sellick, Fritz J. Hill,
 Theresa Schreiber, John M. Schreiber, Adolph Kau-
 meyer, Jeffrey N. Collins, John C. Snyder, Webster
 C. Jipson, Cora A. Jipson, Oliver Ely, Louis Mer-
 back, Alfred Curnow, Mary A. Boyd, William J. Al-
 taver.

Second: After the name "Eugenie F. Zannella" and be-
 tween it and the word "citizens" in the line next to
 the last in paragraph "3" of the bill, insert the fol-
 lowing names: Elmer W. Jacobson, George Jones,
 John Gestel, Edward S. Grierson, John Sterenz,
 James S. Monroe, Parmelia Keys, Stewart Bates,
 William Rothschild, Mary R. Dorsey, Edward Phil-
 lips, John H. Comstock, Charles H. O'Rouke,
 Cleophos Meilleur, Norman W. Hare, James Mercer,
 James H. Harrington, Jennie Rothschild, Abraham
 Kroutch, Michael P. Dorsey, Isabella Parnell, Chris-
 topher Parnell, Julius Wetzler, George W. Ladd,
 Christopher Roosen, Carleton A. Hammond, Henry
 A. Lederlee, Elk Rapids Iron Company (corpora-
 tion), Fitch R. Williams, James Gracey, James H.
 Goudy, James Murphy, Harry Hall, Octave Baril,
 Jeanie H. Goudie, James Goudie, John L. Bishop,
 John L. Murphy, Jacob Brenner, Albert J. Smith,
 William M. Empy, James F. Loope, Melvin O. Beck-
 er, Joseph W. Roche, F L. Peck, August A.
 Johnson, J. Johnson, J A. Ferguson, George
 M. Thayer, John T. Fox, Arthur J. Hemingway, Bur-
 nett Filkerson, John M. Dudley, George Wertheimer,
 Mary A. Backus, Oscar Creekbaum, Frank F. Vevia,
 Charles Michand, Frank J. Grenlech, Flavel J.
 Smith, Taft, Edward Perks, William A.
 Major, Phillip Rehkopf, First State Bank, Petoskey
 (corporation), William Baker, John Karamoe, Ella
 Lasch, John Whaley, Charles Christianson, Constan-
 tine Fleissuer, Comfort, Comfort,
 Fred Balsom, Robert B. Patterson, John Magnuson,
 William J. Gleason, William M. Gleason, Morris
 Bloomingstock, Mary E. Dowdingan, Cyrille Houle,
 Robert G. Jackson, Richard M. Samson, Jr., John I.
 Crissman, Anton O'Dill, John Larsen, Henry J.
 Brodenick, Nancy M. Hinsdill, Daniel McCoy, Reu-
 ben Hatch, Emma Busbois, Ernest W. Hastings,
 William E. Treblecock, Lizzie Wedlake, Charles W.
 Hall, John E. Blomgrem, Bert F. Wing, Mammie
 Erickson, Charles D. Towne, George D. Robinson,

Andree Parrong, James Lowe, W. Bradley Lawton, J. B. Montgomery, William Burkett, William J. Moody, John F. Allen, Margaret McCarthy, Mary Patenaude, Peter Johnson, Uria B. Rogers, Minnie M. Holman, John H. Holman, Robert Gall, Margaret E. Jackson, Joseph Willmer, William Goggan, August Beck, Burton Schager, Louis Schager, Anton Schager, Lawrence Tabor, Stephen Loranger, Prosper Girard, Andrew M. Dahlberg, Leon Ogea, Andrew Carlson, Fred J. Bond, Harvey H. Jackson, Silas M. Wright, Robert Siller, Walter A. Biss, Edward MacMullen, Kate Thompson, Mellissa M. Fink, Edwin R. Hill, Christian M. Thompson, Caroline Burt, Stanley A. Burt, Sarah J. Beach, Anna Cassidy, Hattie Gillett, Alfred S. Westlake, Hulda M. Burkhead, Mary Scheemer, Mary W. Hatch, Julia Tomlinson, George Huber, F. H. Wallace, Mattie C. Straw, W. E. Clark, Edward J. Frost, Helen M. Bryce, Clarence W. Morey, George W. Watkins, Lucy J. Watkins, Russell C. Carter, Chauncey D. Brooks, Edward T. Billings.

Third: Add as defendants to paragraph "47" of the bill and immediately following the name and words "The Sun Stove Company, a corporation under the laws of Michigan," and between the word "Michigan" and the word "and" following it, all the names above specified in paragraph "First" and "Second" hereof.

Fourth: Add to "Exhibit F" attached to the bill the names, words and figures specified in the schedule hereto annexed, made a part hereof and marked "Amendment to Exhibit F."

Fifth: Add to "Exhibit G" attached to the bill the names, words and figures specified in the schedule hereto annexed, made a part hereof and marked "Amendment to Exhibit G."

RALPH L. ALDRICH,
*Receiver of the Michigan Savings and
Loan Association.*

By DE FOREST PAINE,
His Solicitor.

DE FOREST PAINE,
Solicitor and of Counsel for Complainant.

AMENDMENT TO EXHIBIT "F."

NAME.	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issue.	Date Pd.
Wheeler, Adolph	243	\$1536.68	\$438.68	12-1-89	8-28-00
Kirchner, Leonard A..	581	260.00	270.00	2-1-90	3-6-99
Saunders, N. A.....	1916	464.50	535.50	7-1-90	6-21-00
Comfort, John C.....	1957	1640.25	.....	7-1-90	6-30-98
Brooks, Chauncey D..	2035	205.20	124.58	7-1-90	10-30-99
Clark, Thomas H.....	2096	212.75	60.00	7-1-90	12-11-00
Gaylord, Mae C.....	2126	70.20	42.78	7-1-90	5-12-99
Meriday, Julia	2128	256.50	243.50	7-1-90	12-31-00
Briggs, Laura J.....	2670	205.20	119.79	9-1-90	6-14-98
Jacobson, Elmer W...2688		855.96	212.13	9-1-90	6-7-98
Jacobson, Elmer W...2688		527.46	198.96	9-9-90	8-97
Comfort, Mary B.....	2741	126.00	67.50	9-1-90	6-30-98
Jones, Geo.	2828	657.00	343.00	10-1-90	12-27-98
Cueny, Jos. E.....	2834	1396.00	704.00	10-1-90	9-29-98
Gestel, John	3053	489.60	219.79	10-1-90	9-29-98
Campbell, Robert V...3246		260.00	264.75	11-1-90	6-14-98
Grierson, E. S.....	3269	666.00	398.14	11-1-90	6-9-98
Ryan, Patrick J.....	3278	131.40	77.14	11-1-90	6-15-98
Kimmell, Mabel	3357	133.20	66.80	11-1-90	1-31-99
Steranz, John	3403	328.50	193.85	11-1-90	5-10-98
Monroe, Jas. S.....	3446	328.50	171.50	12-1-90	9-29-98
Hueston, Cordelia ...	3451	319.50	201.95	12-1-90	12-30-98
Mummery, William J.	3557	648.00	379.80	12-1-90	5-18-98
DeWitt, Clinton	3596	333.00	227.86	12-1-90	3-6-00
Keys, Parmelia	3582	131.40	74.90	12-1-90	5-10-98
Bates, Stewart.....	3596	666.00	334.00	12-1-90	10-12-98
Rothschild, Wm.	3602	657.00	411.06	12-1-90	9-16-98
Dorsey, Mary R.....	3627	324.00	201.67	12-1-90	9-29-98
Phillips, Ed.	3633	648.00	406.20	12-1-90	11-10-98
Comstock, Jno. H....	3709	1652.50	965.30	12-1-90	6-20-98
O'Rourke, Chas. H....	3711	457.00	383.38	12-1-90	12-1-98
Meilleur, Cleophos ...	3712	657.00	417.13	12-1-90	10-21-98
Hare, Norman W....	3714	657.00	386.29	12-1-90	6-20-98
Mercer, Jas.	3719	657.00	417.13	12-1-90	10-21-98
Harrington, Jas. H...3720		197.47	271.20	12-1-90	11-8-98
Rothschild, Jennie ...	3722	328.50	195.64	12-1-90	6-30-98
Kroutch, Abraham ...	3762	711.00	352.18	1-1-91	6-15-98
Dorsey, Michael P....	3795	657.00	417.15	1-1-91	5-18-99
Parnell, Isabella	3803	337.50	241.92	1-1-91	10-30-99
Parnell, Christopher ..	3804	351.92	241.92	1-1-91	10-30-99
Westzler, Julius	3879	621.00	404.96	1-1-91	11-3-98
Ladd, George W.....	3929	136.03	176.00	1-1-91	5-3-99
Roosen, Chris	3913	355.00	207.66	1-1-91	10-31-98

NAME.	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issue.	Date Pd.
Hammond, Carleton A.	3973	140.40	87.32	1-1-91	5-28-98
Fremain, Jesse	3980	210.60	115.00	1-1-91	6-25-98
Lederlee, Henry A....	3982	459.90	.....	1-1-91	3-15-99
Wagner, Chas. A....	3988	520.00	568.31	1-1-91	11-15-98
Moritz, Jno. B.....	4000	200.25	.....	2-1-91	11-7-98
McLean, Peter	4021	675.00	403.76	2-1-91	11-8-98
Merry, Elizabeth	4025	277.50	228.60	2-1-91	12-30-99
Elk Rapids Iron Co....	4027	132.60	80.00	2-1-91	7-19-98
Williams, Fitch R....	4028	70.20	45.41	2-1-91	11-28-99
Williams, Fitch R....	4029	210.60	136.23	2-1-91	11-28-99
Haensler, Mrs. M. B.	4061	52.00	57.00	2-1-91	5-22-99
Feucht, Katherine	4067	346.50	181.40	2-1-91	5-18-99
Gracey, Jas.	4112	273.60	139.93	2-1-91	3-15-98
Dietas, Elizabeth	4124	140.40	93.27	2-1-91	8-6-00
Goudy, James H.....	4148	657.00	343.00	2-1-91	11-8-98
Alban, Chas. F.....	4152	138.60	73.86	2-1-91	5-24-98
Candler, Wm. R., Jr..	4193	547.20	284.44	2-1-91	3-30-99
Murphy, James	4236	69.30	37.22	2-1-91	7-16-98
Tobias, Burton E....	4252	260.00	240.00	2-1-91	9-19-00
Atwater, Francis J....	4295	233.20	102.80	3-1-91	8-30-00
Atwater, Francis J....	4296	52.00	56.50	3-1-91	3-6-99
Hall, Harry	4312	382.52	113.50	3-1-91	5-8-99
Baril, Octave	4315	136.80	74.20	3-1-91	8-30-98
Goudie, Jeanie H....	4329	22.95	2.70	3-1-91	11-8-98
Goudie, Jeanie H....	4330	22.96	2.70	3-1-91	11-8-98
Goudie, James	4331	22.96	2.70	3-1-91	11-8-98
Patterson, Lillie M....	4363	191.00	198.70	3-1-91	10-24-99
Bishop, John L.....	4367	140.40	69.46	3-1-91	6-6-98
Murphy, Jno. L.....	4368	138.00	73.43	3-1-91	6-7-98
Brenner, Jacob	4371	136.80	75.27	3-1-91	6-7-98
Smith, Albert J.....	4372	69.60	36.43	3-1-91	6-7-98
Empy, Wm. M.....	4422	351.00	94.10	4-1-91	8-29-98
Loope, James F.....	4424	38.70	11.14	4-1-91	3-3-00
Becker, Melvin O.....	4426	138.60	76.67	4-1-91	6-18-00
Bishop, John L.....	4427	138.60	76.67	4-1-91	6-18-00
Crissman, Jno. S....	4436	693.00	317.50	4-1-91	6-21-99
Roche, Jos. W.....	4441	729.00	231.00	4-1-91	1-9-99
Peck, F. L.....	4468	342.00	181.05	4-1-91	3-1-99
Johnson, August A....	4492	351.00	91.26	4-1-91	8-28-98
Ferguson, J. A.....	4493	351.00	91.26	4-1-91	8-19-98
Thayer, Geo. M.....	4506	140.44	47.93	4-1-91	10-25-98
Fox, John T.....	4525	72.90	41.62	4-1-91	4-21-00
Hemingway, Arthur J.	4572	364.25	161.82	4-1-91	4-21-99
Hemingway, Arthur J.	4577	72.90	32.36	4-1-91	4-21-99
Filkerson, Burnett ...	4607	213.30	93.66	5-1-91	8-9-99
Dudley, Jno. M.....	4613	133.20	74.80	5-1-91	4-9-00
Kolb, Mrs. A.....	4639	369.00	144.99	5-1-91	11-2-98

NAME.	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issue.	Date Pd.
Wertheimer, Geo.	4645	720.00	348.37	5-1-91	12-30-99
Backus, Mary A.	4646	459.00	141.00	5-1-91	6-22-00
Creekbaum, Oscar ...	4647	364.50	188.37	5-1-91	7-14-99
Vevia, Frank F.	4649	351.00	514.17	5-1-91	6-15-99
Michand, Chas.	4663	1256.25	357.25	5-1-91	5-21-98
Grenlech, Frank J.	4664	720.00	208.72	5-1-91	5-21-98
Smith, Flavel J.	4670	360.00	200.28	5-1-91	10-16-99
Taft, Mrs. J. N.	4683	8.93	1036.85	5-1-91	1-23-00
Perks, Edward	4684	205.50	82.50	5-1-91	3-10-99
Major, William A.	4721	702.00	327.31	6-1-91	6-30-99
Rehkopf, Phillip	4723	702.00	345.66	6-1-91	3-27-99
First State Bank, Petoskey	4724	711.00	324.00	6-1-91	3-10-99
Baker, William	4726	355.50	159.85	6-1-91	3-17-99
Karamoe, Jno.	4727	355.50	159.85	6-1-91	3-17-99
Lasch, Ella	4737	197.10	102.90	6-1-91	12-31-00
Walling, Jno. A.	4741	1099.06	579.06	6-1-91	3-28-00
Whaley, John	4756	166.00	340.46	6-1-91	12-15-98
Christiansen, Chas. ...	4777	711.00	187.23	7-1-91	11-6-99
Fleissner, Constantine.	4788	597.70	220.82	7-1-91	1-9-99
Comfort Bros.	4791	335.50	93.61	7-1-91	10-1-98
Balsom, Fred	4795	355.50	86.76	7-1-91	6-8-98
Patterson, Robert B. ...	4832	355.50	129.90	7-1-91	3-17-99
Magnuson, Jno.	4837	355.50	144.50	7-1-91	7-11-99
Gleason, Mm. J.	4857	355.50	237.81	7-1-91	11-8-00
Gleason, Wm. M.	4858	77.10	33.17	7-1-91	11-8-00
Parsons, James M.	4801	360.00	163.04	7-1-91	10-24-99
Potts, J. Lee.	4882	351.00	99.00	7-1-91	5-6-98
Kapanke, Henry	4896	334.80	265.20	7-1-91	12-31-00
Meilleur, Cleophos ...	4912	1187.00	399.62	8-1-91	12-30-99
Waterbury, C. & M. H.	4915	355.50	146.30	8-1-91	12-19-98
Knowles, Louis	4917	1302.00	359.19	8-1-91	4-25-00
Halloran, Mrs. Mich'l.	4994	666.00	400.67	9-1-91	8-10-00
Bloomingsstock, Morrie.	5012	138.40	84.10	9-1-91	5-16-00
Dowdingan, Mrs. M. E.	5021	452.40	275.00	9-1-91	10-5-99
Houle, Cyrille	5036	369.00	165.31	10-1-91	9-30-99
Jackson, Robert G.	5037	360.00	140.20	10-1-91	6-7-99
Sampson, Rich'd M., Jr.	5044	713.83	150.63	10-1-91	5-29-00
Roosen, Chris	5048	532.50	154.50	10-1-91	2-6-00
Crissman, Jno. I.	5054	506.32	155.32	10-1-91	2-12-00
O'Dill, Anton	5067	700.00	196.00	10-1-91	3-17-99
Harsen, Jno.	5074	100.00	32.50	10-1-91	8-20-00
Larsen, Jno.	5078	129.60	134.45	10-1-91	10-29-98
Cornish, Thomas	5080	500.00	167.00	10-1-91	10-2-98
Groscup, Frank	5086	337.50	95.45	10-1-91	5-18-98
Hendricks, Benj. W. ...	5088	29.60	33.30	10-1-91	5-18-98
Tucker, Ada R.	5090	100.00	27.10	11-1-91	12-1-99
Groscup, Louis	5109	490.00	157.00	11-1-91	2-27-99

NAME.	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issue.	Date Pd.
Brodenick, Henry J....	5129	973.70	271.70	11-1-91	12-1-98
Hinsdill, Nancy M....	5130	500.00	149.00	11-1-91	5-28-99
McCoy, Daniel	5135	1000.00	596.00	11-1-91	5-30-99
Hatch, Rubin	5136	502.75	316.10	11-1-91	12-25-99
Busbois, Emma	5174	500.00	167.00	12-1-91	12-31-00
Hastings, Ernest W....	5179	675.00	168.75	12-1-91	8-5-98
O'Dill, Anton	5181	1300.00	352.30	12-1-91	3-17-99
Treblecock, Wm. E....	5197	331.04	117.74	12-1-91	7-9-00
Daniel, Thos. A.....	5221	1323.00	737.70	1-2-92	3-17-99
Wedlake, Lizzie	5229	577.30	145.30	1-2-92	10-4-00
Hall, Chas. W.....	5231	1019.20	308.20	1-2-92	4-11-00
Loyd, Chas. W.....	5248	328.50	83.93	2-1-92	12-8-98
Crew, Sarah E.....	5288	500.00	653.50	3-1-92	1-3-98
Ryan, Cassie	5325	1000.00	352.00	4-1-92	4-11-00
Harper, George	5599	657.00	156.52	6-1-92	10-21-98
Shellhorn, Theo.	5605	500.00	144.50	7-1-92	10-12-98
Widman, Amelia ..	5626	702.00	182.52	7-1-92	7-31-00
Blomgrem, John E....	5629	506.75	297.00	7-1-92	9-28-98
Wing, Bert F.....	5643	237.60	57.00	7-1-92	8-23-98
Moulthrop, Harry C..	5706	621.00	171.60	9-1-92	11-4-98
Moretz, Jno. B.....	5717	452.25	121.34	9-1-92	11-7-98
Harper, Charlotte	5727	702.00	.....	9-1-92	9-15-99
See, Addie C.....	5728	693.00	187.01	9-1-92	7-11-99
Harper, Charlotte	5727	702.00	.....	9-1-92	9-15-99
Miller, Jno. K.....	5756	322.13	177.87	9-1-92	6-28-00
Erickson, Mamie	5757	256.50	57.50	9-1-92	11-10-98
Towne, Chas. D.....	5765	453.60	246.40	10-1-92	12-31-00
Meilleur, Cleophos ...	5834	648.00	161.51	10-1-92	11-21-98
Robinson, Geo. D.....	5870	288.20	73.93	12-1-92	10-16-99
Parrong, Andree	5903	346.50	89.95	12-1-92	11-13-99
Parker, Isaac R. & Clara B.	5911	17.65	721.18	1-2-93	10-4-00
Lowe, James	5941	72.00	183.70	1-2-93	2-14-99
Lawton, W. Bradley..	6025	310.50	71.44	1-2-93	4-17-99
Montgomery, J. B....	5984	202.50	72.90	1-2-93	7-1-00
Burkett, Wm.	6030	270.00	54.00	1-2-93	5-2-98
Russel, Jas. L.....	6049	369.00	100.86	2-1-93	7-31-00
Donnelly, Lillie K....	6056	324.00	103.00	2-1-93	2-1-00
Corwin, May E.....	6057	648.00	182.00	2-1-93	7-5-00
Malone, Flora D.....	6058	364.50	101.01	2-1-93	3-26-00
Malone, Flora D.....	6059	364.50	101.01	2-1-93	3-26-00
Cobb, Wm. S.....	6089	500.00	144.50	3-1-93	3-19-00
Helmer, Fred A.....	6090	505.18	318.80	3-1-93	7-9-00
Helmer, J. Frank....	6092	500.00	298.00	3-1-93	12-31-00
Moody, Wm. J.....	6143	369.00	131.00	5-1-93	12-31-00
Walker, Edson G.....	6220	774.00	254.00	5-1-93	12-31-00
Allen, Jno. F.....	6260	400.00	119.20	6-1-93	2-27-00
Clark, Kate	6293	127.80	40.95	7-1-93	2-5-00

NAME.	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issue.	Date Pd.
Cappie Smith					
Cappie House	6297	63.00	12.06	7-1-93	2-3-00
Bovice, Henry K.....	6346	378.00	46.29	8-1-93	6-9-98
Blosser, Matt D.....	6365	120.60	.....	9-1-93	12-13-99
Kelley, Robt. J.....	6378	630.00	151.20	10-1-93	9-14-99
Jones, Geo.	6368	126.00	30.00	9-1-93	7-31-00
McCarthy, Margaret..	6428	256.50	48.73	10-1-93	2-25-99
Macdonald, Bruce J..	6470	340.20	.....	12-1-93	5-3-99
Mrs. Mary Patenaude.					
Mrs. Alexis Patenaude.	6508	342.00	66.00	1-1-94	5-6-98
Butterfield, William J.	6582 ¹ / ₂	225.00	36.50	2-1-94	6-6-98
Blumeneau, Edward J.	6623 ¹ / ₂	33.30	9.60	3-1-94	6-30-98
Younghusband, Chas. J.	6636	54.00	8.62	4-1-94	6-15-00
Butterfield, William J.	6642	477.00	89.88	4-1-94	2-1-99
Wemple, Lillian H....	6710	482.50	34.90	6-1-94	11-13-00
Millman, Melbourne G.	6753	211.50	29.00	6-1-94	6-30-98
MacDonald, Bruce J..	6853	46.80	3.30	10-1-94	6-30-99
Johnson, Peter	6886	229.50	135.25	11-1-94	2-27-99
MacDonald, Bruce J..	6899	45.90	3.30	11-1-94	6-30-99
MacDonald, Bruce J..	6934	45.00	3.30	12-1-94	6-30-99
MacDonald, Bruce J..	6976	44.10	3.36	1-2-95	6-30-99
Rogers, Ulrich B.....	6985	531.00	126.07	1-2-95	6-12-00
Wheeler, John H.....	7018	513.00	293.83	2-1-95	6-18-00
MacDonald, Bruce J..	7025	43.20	3.66	2-1-95	6-30-99
Wheeler, John H.....	7031	513.00	.....	2-1-95	5-7-00
Holman, Minnie M....	7074	81.00	11.35	2-1-95	8-4-98
Holman, John H.....	7075	81.00	11.35	2-1-95	8-4-98
Holman, John H.....	7076	81.00	11.35	2-1-95	8-4-98
Holman, John H.....	7077	81.00	11.35	2-1-95	8-4-98
Holman, John H.....	7078	81.00	11.35	2-1-95	8-4-98
Gall, Robert	7095	162.00	17.01	3-1-95	8-4-98
MacDonald, Bruce J..	7099	42.30	.....	3-1-95	6-30-99
Caster, Byrom M.....	7103	103.50	18.44	3-1-95	9-14-99
Doak, Wellington	7105	270.00	53.40	3-1-95	9-19-00
Knowles, Louis F....	7107	324.00	26.00	3-1-95	11-24-00
West, Wm. H.....	7112	33.30	.....	3-1-95	6-9-98
MacDonald, Bruce J..	7122	41.40	.....	4-1-95	7-25-99
Raymond, Hattie E....	7130	132.30	24.65	4-1-95	10-16-99
Grilling, Addie M....	7131	129.60	27.35	4-1-95	9-20-99
Corwin, Claude C.....	7139	64.80	6.80	4-1-95	7-16-98
Corwin, Claude C.....	7140	32.40	3.40	4-1-95	7-16-98
Corwin, Claude C.....	7141	32.40	3.40	4-1-95	7-16-98
Corwin, Claude C.....	7142	32.40	3.40	4-1-95	7-16-98
Clark, Daniel W.....	7143	135.00	11.81	4-1-95	6-8-98
Cassidy, Chas.	7152	220.50	41.17	4-1-95	12-30-99
MacDonald, Bruce J..	7180	40.50	.....	5-1-95	7-25-99
Cassidy, Anna	7197	220.50	.....	5-1-95	3-26-99
Krause, Wm.	7198	87.75	9.97	5-1-95	3-6-99

NAME.	Cert. No.	Prim. Pd.	Int. or Profit.	Date Iss'd.	Date Pd.
Krause, Herman	7199	59.40	5.70	5-1-95	6-30-98
Thomas, Howard N....	7225	36.00	.36	6-1-95	6-8-98
MacDonald, Bruce J..	7229	39.60	.....	6-1-95	7-25-99
MacDonald, Bruce J..	7237	38.70	.....	6-1-95	7-25-99
MacDonald, Bruce J..	7290	37.80	.....	8-1-95	7-25-99
MacDonald, Bruce J..	7327	36.90	.....	9-1-95	7-25-99
Smith, Eliza	7329	85.50	12.78	9-1-95	1-23-00
Howard, James E....	7338	432.00	69.12	9-1-95	1-26-00
Doak, Wellington	7370	56.25	1.03	10-1-95	5-10-98
MacDonald, Bruce J..	7372	36.10	.....	10-1-95	7-25-99
Seckinger, Conrad	7396	54.00	6.32	11-1-95	6-8-98
Seckinger, Irena	7379	21.60	2.53	11-1-95	6-8-98
MacDonald, Bruce J..	7399	35.10	.....	11-1-95	7-25-99
Houk, Christian	7407	103.24	16.84	11-1-95	12-18-99
Watkins, Geo. W. & Lucy J.	7410	72.00	6.72	11-1-95	8-31-98
Walz, George	7411	60.75	7.40	11-1-95	6-8-98
MacDonald, Bruce J..	7436	34.20	.....	12-2-95	7-25-99
Hobart, Orilla F....	7438	117.00	10.74	12-2-95	4-11-99
Mock, Frederick L....	7439	117.00	18.93	12-2-95	8-5-99
MacDonald, Bruce J..	7444	33.30	.....	1-2-96	7-25-99
Jackson, Margaret E..	7445	70.20	9.93	1-2-96	8-18-99
Humphrey, Jno. C....	7448	130.50	.55	1-2-96	6-30-98
Humphrey, Jno. C....	7449	126.00	14.69	1-2-96	12-30-99
Gunsolus, John W. .	7457	432.00	78.15	1-2-96	7-20-00
Stebbins, Francis G..	7458	112.50	8.20	1-2-96	6-30-98
Sears, Flora A.....	7459	477.00	84.27	1-2-96	12-5-00
Watts, Richard A....	7462	216.00	23.06	1-2-96	5-31-00
Merry, Chas.	7465	198.00	25.41	1-2-96	9-11-00
Cleveland, Edgar F..	7466	235.00	.....	1-2-96	6-11-00
Carpenter, Grace	7467	153.00	8.67	1-2-96	3-4-99
Erickson, Chas. E....	7468	162.00	17.01	1-2-96	7-21-99
Whele, Anton	7472	216.00	7.41	1-2-96	9-13-00
Cleveland, Edgar F..	7473	207.00	71.74	1-2-96	6-11-00
Willmer, Jos.	7479	261.00	22.07	1-2-96	9-13-98
Goggan, William	7480	216.00	15.12	1-2-96	8-9-98
Jackson, Francis	7480	5.40	.....	1-2-96	12-31-00
Rasch, Edwin A.....	7488	5.40	.....	1-2-96	12-31-00
Pattison, Jno.	7496	184.50	29.88	1-2-96	12-20-99
Thurber, Jefferson M..	7497	324.00	51.74	1-2-96	5-31-99
Stevenson, Alex.	7511	270.00	30.56	1-2-96	1-5-99
Smith, Leon	7513	324.00	51.74	1-2-96	6-5-99
Beyslag, Chas.	7520	252.00	20.58	1-2-96	7-19-98
Zink, Herbert C.....	7521	24.30	1.91	1-2-96	10-12-98
Zink, Gladys H.....	7522	48.60	3.82	1-2-96	10-12-98
Millikin, Thomas J....	7524	139.50	12.60	1-2-96	2-1-99
Solis, Edwin T.....	7527	82.80	11.59	1-2-96	8-20-00
Cummings, Andrew J..	7528	26.00	2.20	1-2-96	11-16-98

NAME.	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issue.	Date Pd.
Crockett, Louis	7534	190.80	34.70	1-2-96	12-11-00
Simon, Jos. F.	7536	45.90	1.95	1-2-96	5-10-98
Stebbins, Deborah J.	7537	112.50	8.20	1-2-96	6-30-98
Joslyn, Theo. M.	7539	202.50	34.56	1-2-96	5-1-00
Whitney, H. Arthur.	7540	238.50	30.89	1-2-96	11-19-00
Beck, August	7543	9.00	.....	1-2-96	12-31-00
Browne, Fred P.	7549	369.00	54.42	1-2-96	2-19-00
Pratt, Frank S.	7551	185.00	75.26	1-2-96	3-26-00
Wallington, Fred	7558	423.00	92.37	1-2-96	6-17-00
Howard, Chas. H.	7563	189.00	53.06	2-1-96	5-14-98
Schelbe, A. R.	7568	7.20	.....	2-1-96	12-31-00
Moore, Frank J.	7570	258.15	94.35	2-1-96	7-17-00
Rogers, Uriah B.	7582	414.00	75.53	2-1-96	4-24-00
MacDonald, Bruce J.	7583	32.40	.....	2-1-96	7-25-99
MacDonald, Bruce J.	7604	31.50	.....	3-1-96	7-25-99
Broesamls, Phillip ...	7605	85.50	9.41	3-1-96	10-12-99
Schager, Burton	7609	171.00	27.98	3-1-96	12-30-99
MacDonald, Bruce J.	7631	30.60	.....	4-1-96	7-25-99
Klump, Geo.	7635	675.00	.....	4-1-96	12-31-00
Schager, Louis	7653	49.50	1.35	4-1-96	9-13-98
Schager, Anton	7654	207.00	54.45	4-1-96	12-18-00
MacDonald, Bruce J.	7659	23.38	.....	5-1-96	8-3-99
Tabor, Lawrence	7670	126.00	10.29	5-1-96	12-5-99
MacDonald, Bruce J.	7674	28.80	.....	6-1-96	8-3-99
MacDonald, Bruce J.	7675	28.80	.....	6-1-96	8-3-99
Carey, Lydia C.	7680	216.00	28.42	6-1-96	5-10-00
Loranger, Stephen	7697	139.50	12.61	7-1-96	6-14-99
Putnam, Wm.	7705	59.40	3.20	7-1-96	6-20-98
MacDonald, Bruce J.	7706	27.90	.....	7-1-96	8-3-99
Girard, Prosper	7721	198.00	10.90	8-1-96	9-22-98
MacDanold, Bruce J.	7724	27.00	.....	8-1-96	8-3-99
MacDonald, Bruce J.	7730	26.10	.....	9-1-96	8-3-99
Treppa, Frank A.	7764	108.00	7.56	10-1-96	12-30-98
Taylor, John	7770-7803	1230.39	.....	10-1-96	6-1-99
Fish, Elizabeth A.	7777	67.50	2.50	11-1-96	6-20-98
MacDonald, Bruce J.	7781	24.30	.....	11-1-96	8-3-99
Grenke, Frank J.	7784	139.93	.....	11-1-96	11-11-99
Ferguson, Fred	7797	23.40	4.37	11-1-96	3-2-99
Brennan, Katherine ..	7804	3.60	.....	12-1-96	6-17-99
Prange, Henry W.	7806	58.05	4.44	12-1-96	3-3-99
MacDonald, Bruce J.	7811	23.40	.....	12-1-96	8-3-99
Dahlberg, A. M.	7812	58.50	1.90	12-1-96	5-12-98
Cassie, N. Isabela.	7814	180.00	9.00	12-1-96	10-7-98
Reynor, Oshea F.	7815-7943	50.40	1.80	12-1-96	7-25-98
Evans, Annie E.	7823	31.50	.64	1-2-97	6-8-98
MacDonald, Bruce J.	7826	22.50	.....	1-2-97	8-3-99
Heidensick, Fred'k L.	7854	121.50	.....	1-2-97	12-13-99
Blosser, Matt D.	7856	121.50	.....	1-2-97	12-13-99

NAME	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issue.	Date Pd.
Geiske, Herman	7857	108.00	.....	1-2-97	4-24-99
Keibler & Landwehr..	7858	121.50	185.07	1-2-97	8-8-00
Widmeyer, Wm.	7859	121.50	10.62	1-2-97	3-6-00
Fisk, Wm.	7866	42.75	2.00	1-2-97	12-30-98
Hoelzle, George F....	7873	44.16	2.51	1-2-97	5-18-99
MacDonald, Bruce J..	7893	21.60	.....	2-1-97	8-3-99
Wesch, Jacob F.....	7901	72.00	2.98	2-1-97	8-31-98
Scott & Helmer.....	7903	319.78	31.78	2-1-97	5-29-00
Ogea, Lain	7906	76.50	3.23	2-1-97	8-12-98
Howard, J. Earl.....	7919	175.50	19.94	3-1-97	8-28-00
MacDonald, Bruce J..	7920	20.70	.....	3-1-97	8-3-99
Herbert, Eva L.....	7944	17.10	.88	4-1-97	2-3-99
Wahl, Wm.	7962	67.50	6.63	4-1-97	3-6-00
MacDonald, Bruce J..	7966	19.80	.....	4-1-97	8-3-99
Stoddard, Pohn L....	7978	54.00	2.72	5-1-97	10-7-98
MacDonald, Bruce J..	7984	18.90	.....	5-1-97	8-3-99
Washburn, Fred A....	7985	47.35	.....	5-1-97	7-28-99
Angell, Allen	7978	40.50	.90	5-1-97	5-12-98
Coulson, Adelbert A..	7989	17.19	.76	5-1-97	12-27-98
VanOrden, Warren B..	7988	67.50	2.52	5-1-97	9-7-98
Clippert, Fred A....	7990	30.60	2.76	5-1-97	10-7-98
Chapman, Elizabeth D.	7994	229.50	11.46	5-1-97	2-17-99
Lewis, Jas.	7996	153.00	6.46	5-1-97	1-9-99
Russel, Janet L.....	7998	76.50	3.23	5-1-97	1-3-99
Ames, George W.....	8000	81.00	6.90	5-1-97	2-10-99
Murphy, Daniel	8011	125.85	.....	6-1-97	12-6-99
Steckclair, Leon	8012	125.85	.....	6-1-97	12-6-99
Gilbert, E. M.....	8014	405.00	21.24	6-1-97	4-24-99
Hagle, Mammie L....	8017	38.25	.....	6-1-97	2-9-99
Young, Israel	8022	72.00	.65	6-1-97	12-27-98
Brown, Fred P.....	8024	115.56	.....	6-1-97	12-6-99
Babcock, Edward C....	8025	135.00	14.72	6-1-97	5-25-00
Simms, Henry W.....	8026	72.00	2.88	6-1-97	12-27-98
Tyler, Frank E.....	8028	72.00	2.88	6-1-97	12-27-98
Haack, Rosa	8031	90.00	10.17	6-1-97	6-30-99
Simms, Henry W.....	8032	72.00	2.88	6-1-97	12-27-98
Ambrose, George F....	8033	69.75	6.30	6-1-97	2-23-00
Plumstell, William ...	8034	58.50	.....	6-1-97	11-8-98
Drake, Harriet F.....	8044	108.00	7.56	7-1-97	8-14-99
Carlson, Andrew	9046	72.00	1.40	7-1-97	3-6-99
MacDonald, Bruce J..	8047	17.10	.....	7-1-97	8-3-99
Rogers, Uriah B..	8043-8150	441.00	45.98	7-1-97	5-16-00
MacDonald, Bruce J..	8051	16.30	.....	8-1-97	8-3-99
Cooper, Thos. J.....	8054	153.00	11.83	8-1-97	10-1-00
Schweikle, Wm.	8055	297.00	28.58	8-1-97	8-27-00
Bush, Adelbert E. R...	8056	63.00	2.20	8-1-97	1-5-99
Hall, Devere	8059	211.09	.....	8-1-97	12-13-99
Hagerty, Edmund C...	8064	3.60	.05	9-1-97	9-3-98

NAME.	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issue.	Date Pd.
Braze, Leroy	8066	14.40	.....	9-1-97	6-8-98
Briscoe, Benj. H.....	8068	40.50	3.70	9-1-97	11-8-98
Briscoe, Benj. H.....	8069	40.50	3.70	9-1-97	11-8-98
Berckley, Frank J....	8071	94.50	1.65	9-1-97	7-16-98
Watson, Milton F....	8074	72.00	2.88	9-1-97	4-11-99
Miller, Jas. K.....	8075	90.00	4.50	9-1-97	8-31-98
Nixon, Byron A.....	8075 ¹ / ₂	25.20	2.77	9-1-97	3-6-99
Bond, Fred J.....	8098	37.28	.....	11-1-97	5-24-00
Jackson, Harvey H...	8099	32.40	2.48	11-1-97	1-31-99
Billings, Edward A...	8145	4.28	.....	3-1-98	3-12-00
Vinz, Geo. J.....	8148	256.50	18.05	4-1-98	4-2-00
Wright, Silas M.....	8154	54.00	.81	5-1-98	1-9-99
Stuart, Frank J.....	8158	54.00	.21	6-1-98	2-27-99
Covert, Frank L.....	8159	27.00	.46	6-1-98	1-12-99
Brown, S. Henry.....	8160	17.10	.81	6-1-98	4-29-00
Case, Raymond	8161	36.00	.72	6-1-98	3-10-99
Dumontier, Louise A..	8169	47.00	1.06	7-1-98	2-27-99
McIntosh, James	8191	32.40	2.12	12-1-98	4-27-00
Walsh, John A.....	8200	50.00	.....	1-2-99	9-27-99
Walsh, Anna	8205	50.00	.....	1-2-99	9-27-99
Gatz, Chas.	8221	37.80	1.54	3-1-99	7-28-00
Benton, H. C.....	8223	40.50	4.64	3-1-99	11-30-00
Wellington, Frank E..	8224	130.40	5.48	3-1-99	7-5-00
Lamont, Peter	8256	40.00	2.53	6-1-99	12-18-90
Siller, Robert	8343	31.50	.55	3-1-99	12-31-00
Axford, Mrs. Aleithe..	8362	780.00	19.07	3-1-99	11-24-00
Cartwright, Jno. F...	8512	195.00	.....	8-1-99	8-28-00
Osborne, David G.....	7519	93.60	28.49	1-1-96	1-24-01
Archer, Elizabeth	7584	47.40	4.80	2-1-96	1-30-01
Kennedy, Jno.	8248 ¹ / ₂	20.00	.....	4-1-99	2-26-01
Daniels, Olive A.....	6094	702.00	335.50	3-1-99	2-4-01
Biss, Walter A.....	6301	221.40	57.07	7-1-93	2-18-01
Lester, Viola A.....	5382	324.00	179.35	4-1-92	2-28-01
Cox, Wm. P.....	7210	594.00	1.00	5-1-95	3-1-01
Mayer, Fred	7964	79.20	12.47	4-1-97	3-1-01
Browne, Jas. S.....	6684	108.00	24.00	6-1-94	3-6-01
Ryan, Harry C.....	6033	55.80	9.00	1-2-93	3-7-01
MacMullen, Edward ..	7089	283.50	52.19	3-1-95	4-9-01
Wineman, Emily	7945	81.00	2.30	4-1-97	4-11-01

AMENDMENT TO EXHIBIT "G."

Kitching, Harry A.					
and Catherine	16	\$ 500.00	.....	10-1-91	12-31-00
Thompson, Kate	210	100.00	.....	3-1-94	5-15-99
Fisk, Melissa M.....	231-2	1000.00	.....	6-1-94	8-15-99
Clarkson, Edgar B...	241-2	200.00	.....	7-24-94	8-9-98
Hill, Edwin R.....	246	100.00	.....	8-10-94	11-13-99
Thompson, Christian M.	257	100.00	.....	9-1-94	10-10-99
Thompson, Christian M.	263	100.00	.....	9-15-94	10-10-99

NAME.	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issue.	Date Pd.
Thompson, Christian M.	264	100.00	.....	9-15-94	10-10-99
Burt, Caroline	313	1000.00	.....	4-1-95	8-6-00
Burt, Stanley A.	320	100.00	.....	5-18-95	1-31-99
Cassidy, Chas. A.	321	500.00	.....	5-28-95	6-23-99
Cassidy, Hannah	323	100.00	.....	5-30-95	11-24-00
Cassidy, Hannah	324	100.00	.....	5-30-95	11-24-00
Cassidy, Hannah	325	100.00	.....	5-30-95	11-24-00
Cassidy, Hannah	326	100.00	.....	5-30-95	11-24-00
Swift, Caroline B.	327	100.00	.....	6-1-95	3-5-99
Swift, Caroline B.	328	100.00	.....	6-1-95	3-5-99
Swift, Caroline B.	329	100.00	.....	6-1-95	3-5-99
Swift, Caroline B.	330	100.00	.....	6-1-95	3-5-99
Swift, Caroline B.	331	100.00	.....	6-1-95	3-5-99
Burt, A. Judson.	342	1000.00	.....	7-1-95	3-12-00
Burt, A. Judson.	343	1000.00	.....	7-1-95	5-2-98
Burt, A. Judson.	334	1000.00	.....	7-1-95	6-7-98
Elmore, Mrs. A. L.	350	100.00	.....	7-1-95	6-11-98
Elmore, Mrs. A. L. ...	351-2	100.00	.....	7-1-95	6-11-98
Swift, Louise B.	353	100.00	.....	6-1-95	5-14-99
Swift, Louise B.	354-5	100.00	.....	6-1-95	5-14-99
Hill, Susan V.	358	100.00	.....	7-1-95	3-6-99
Burt, Hattie A.	360	100.00	.....	7-19-95	7-5-00
Hill, Frank E.	377	100.00	.....	9-25-95	6-8-98
Hill, Frank E.	378-9	100.00	.....	9-25-95	6-8-98
Raby, Christine A.	385	500.00	.....	10-1-95	6-16-00
Smith, Harriet L.	388	100.00	.....	10-1-95	12-13-00
Smith, Harriet L.	387	100.00	.....	10-19-95	12-13-00
Cassidy, Anna	395	100.00	.....	11-12-95	11-4-99
Burt, Hattie A.	399	100.00	.....	12-11-95	11-5-00
Burt, Caroline	452	1000.00	.....	3-2-96	6-17-99
Goodyear, Jos. A.	454	500.00	.....	4-1-96	10-15-99
Rose, Mrs. L. M.	486	100.00	.....	6-12-96	3-24-98
Rose, Mrs. L. M.	487-8	200.00	.....	6-12-96	1-18-00
Kitching, Caroline ...	521	1000.00	.....	5-1-96	6-8-98
Wolcott, Isaac C.	527	500.00	.....	6-1-96	3-5-00
Beach, Sarah J.	537	1000.00	.....	8-1-96	10-19-99
Cassidy, Anna	538-9	200.00	.....	9-1-96	11-20-99
Gillett, Hattie	562	500.00	.....	9-15-96	6-22-99
Westlake, Alfred S. ...	571	1000.00	.....	11-1-96	8-1-99
Westlake, Alfred S. ...	572	1000.00	.....	11-1-96	8-1-99
Westlake, Alfred S. ...	573	1000.00	.....	11-1-96	8-1-99
MacDonald, Archibald.	582	1000.00	.....	12-1-96	5-7-99
Burkhead, Hulda M. ...	585	100.00	.....	12-21-96	7-3-98
Burkhead, Hulda M. ...	586	100.00	.....	12-21-96	3-10-99
Wolcott, Isaac C.	591	500.00	.....	12-21-96	3-5-00
Knickerbocker, Helen C.	601-2-3	100.00	.....	12-30-96	6-6-98
Blosser, Matt D.	604-5-6	300.00	.....	1-2-97	11-20-99

NAME.	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issue.	Date Pd.
Bank of Linden.....	608	500.00	.....	1-2-97	5-11-00
Younghusband, Julia..	609	700.00	.....	1-2-97	2-21-00
Buck, Sanford W....	616	1000.00	.....	9-1-97	12-31-00
Gaylord,					
E. J.	636-7-8-9-40-41	500.00	.....	2-1-97	4-17-99
Blosser, Matt D.....	642	100.00	.....	3-1-97	11-20-99
Parker, R. W.....	660	100.00	.....	3-1-97	11-1-98
Parker, R. W.....	661	100.00	.....	3-1-97	5-26-99
Parker, R. W.....	662	100.00	.....	3-1-97	12-10-98
Westlake, Alfred S....	696	100.00	.....	4-1-97	11-12-99
Russel, Jeanette L....	724	500.00	.....	5-15-97	5-19-98
Robbins, Byram C., and Frederick B.					
Wemple	742	1000.00	.....	6-1-97	6-11-98
Robbins, Byram C., and Frederick B.					
Wemple	743	1000.00	.....	6-1-97	10-31-00
Waldo, Hannah L....	751-2	1000.00	.....	6-1-97	9-22-99
Scheemer, Mary	763-4	200.00	.....	6-26-97	10-12-98
Burt, Caroline	781	1000.00	.....	7-28-97	6-20-99
Andrus, Frank D.....	776	500.00	.....	7-1-97	5-21-98
Hatch, Mary W....	795-6	1000.00	.....	9-1-97	2-7-01
Sellick, Hannah M....	799	100.00	.....	9-1-97	4-16-00
Tomlinson, Julia ...	801-2-3	300.00	.....	9-1-97	3-18-01
Billings, Edward T..	806-7	600.00	.....	9-1-97	8-23-00
Billings, Edward					
T.	809-10-11	400.00	.....	9-1-97	8-10-00
Clarkson, Edgar B....	831	1000.00	.....	10-1-97	6-8-98
Clarkson, Edgar B....	832	1000.00	.....	10-1-97	7-6-98
Clarkson, Edgar B..	833-4	600.00	.....	10-1-97	7-25-98
Hill, Fritz J.....	839	500.00	.....	11-10-97	7-19-98
Huber, George	840	500.00	.....	11-1-97	7-9-98
Wallace, F. H.....	841	500.00	.....	11-1-97	11-28-98
Straw, Mattie C.....	844	100.00	.....	12-1-97	8-24-00
Schreiber, Theresa	845-6-7-8	400.00	.....	12-16-97	12-28-00
Straw, Mattie C....	860-1	200.00	.....	2-1-98	8-24-00
Clark, W. E.....	863-4	500.00	.....	1-1-98	12-30-98
Schreiber, Jno. M....	863	600.00	.....	1-1-98	5-16-00
Straw, Mattie C.....	865	100.00	.....	2-1-98	8-24-00
Kaumeyer, Adolph ...	875	1000.00	.....	2-1-98	3-2-01
Collins, Jeffery N....	912	100.00	.....	6-1-98	8-18-99
Snyder, Jno. C.....	913	500.00	.....	6-1-98	12-9-99
Jipson, Webster C.					
and Cora A.....	914-15	1500.00	.....	6-1-98	9-7-98
Carter, Russel C.					
and W. C. Jipson...	919	1000.00	.....	6-1-98	9-7-98
Comstock, Jno. H....	950	500.00	.....	6-6-98	8-29-98
Ely, Oliver	926-7	200.00	.....	6-20-98	4-28-00

NAME.	Cert. No.	Prin. Pd.	Int. or Profit.	Date Issue.	Date Pd.
Frost, Ed. J.....	978	500.00	.....	8-31-98	3-25-99
Frost, Ed. J.....	988	100.00	.....	9-1-98	3-25-99
Frost, Ed. J.....	993	1000.00	.....	9-29-98	3-27-98
Sneider, Jno. C.....	1022	500.00	.....	1-3-99	12-9-99
Bryce, Helen M.....	1031	100.00	.....	1-13-99	3-3-99
Bryce, Helen M.....	1032	100.00	.....	1-13-99	3-2-99
Merback, Louis	1033	100.00	.....	1-25-99	5-2-99
Curnow, Alfred..	1041-2-3-4	400.00	.....	3-1-99	8-6-00
Boyd, Mary A...	1088-9-90	300.00	.....	6-21-99	2-19-00
Morey, Clarence W...	1091	100.00	.....	7-23-99	11-13-99
Altaver, Wm. J.....	1157	100.00	.....	4-1-00	7-6-00

EXHIBIT E.

CIRCUIT COURT OF THE UNITED STATES FOR THE EASTERN
DISTRICT OF MICHIGAN, SOUTHERN DIVISION, In Equity.

RALPH L. ALDRICH, Receiver of The
Michigan Savings & Loan Asso-
ciation,

Complainant,

vs.

JOHN E. CLARK ET AL,

Defendants.

ANSWER OF DEFENDANT JOHN B. CORLISS TO
COMPLAINANT'S BILL OF COMPLAINT.

This defendant now, and at all times hereafter, saving and reserving to himself all manner of exception to and benefit of the numerous errors in the complainant's bill of complaint, for answer thereto, or to such parts thereof as he is advised it is necessary to make answer, says:

1st. This defendant admits the allegations of the 1st, 2d, 3d, 4th, 5th and 6th paragraphs of the bill with reference to organization, capitalization, state laws and by-laws.

2nd. This defendant is not advised with reference to the facts contained in paragraph 7; therefore, neither admits nor denies same, but leaves complainant to the proof thereof.

3rd. This defendant admits that he was elected a director of said Association on or about the 30th day of October, 1890, as set forth in paragraph 8, but expressly denies that he served as such director until January 18, 1899, and avers this his directorship was terminated by resignation on or about February 1st, 1898.

4th. As to the matters set forth in paragraphs 9, 10 and 11 of said bill, this defendant has no knowledge; therefore, neither admits nor denies same, but leaves complainant to the proof thereof.

5th. This defendant admits the implied duties of an officer of said association set forth in paragraph 12 of said bill, but expressly avers that he at all times while

a director of said association, lawfully, honestly and faithfully performed the duties incident to such office.

6th. This defendant expressly denies the allegations with reference to non-performance of duty, omissions, negligence and other allegations of misconduct, contained in paragraphs 13, 14, 15, 16 and 17, including sub-paragraphs "a," "b" and "c," but, to the contrary thereof, this defendant avers that the Board of Directors exercised during the period that this defendant served upon said board, great care in the conduct of the affairs of said association, and to be sure of the maturity of the first installments of stock the Board of Directors engaged the services of a competent expert accountant, Mr. Richard Tregaskis, who made a complete investigation of the assets of said association and a written report to the Board of Directors, showing the maturity of certain stock and the duty of the Board of Directors to declare the same matured, which investigation and report of the evidence of said accountant, this defendant prays leave to present as a part of this, his answer.

And this defendant further answering, avers that during the months of October and November, 1897, this defendant was instrumental in securing the association of W. Warne Wilson, then and now connected with the Standard Savings and Loan Association, who made a complete investigation of the affairs of the Michigan Savings & Loan Association and reported to the directors at a meeting thereof, that the affairs of said association were in such condition as to enable it to liquidate its liabilities and continue its business; that as a result of such investigation, the Standard Savings & Loan Association advanced certain moneys to enable the Michigan Savings & Loan Association to continue its affairs and meet its liabilities; that on or about the third day of December, 1897, said W. Warne Wilson and William A. Pungs, then officers of the Standard Savings & Loan Association, were elected directors of the Michigan Savings & Loan Association, and entered upon the performance of the duties thereof and lawfully served thereon until January, 1898; that said Wilson was elected auditor and served in such capacity during his service as a director of said association; that said association was deemed by said Wilson and this defendant, after the fullest investigation, to be solvent and capable of meeting its liabilities and successfully conducting its business affairs; that at the annual meeting in January, 1898, as this defendant is informed, new directors were elected in

place of said Wilson and Pungs, this defendant being absent in attendance at Washington, but as soon as he learned of such action, on or about the first day of February, 1898, prepared and tendered his written resignation as a director of said association, and mailed the same to the then Secretary, F. B. Wemple, addressed to the office of the association at Detroit, Michigan; that said resignation was tendered because this defendant had great confidence in the integrity and competency of said Wilson to successfully manage the affairs of said association and declined to serve upon said board or further act thereon in consequence of the removal of said Wilson.

That this defendant never thereafter attended a meeting of the Board of Directors, or in any manner performed any duty in connection therewith.

7th. As to the matters set forth in paragraphs 18 to 46 inclusive, this defendant has no knowledge, and, therefore, neither admits nor denies the same, but leaves complainant to his proof thereof.

And this defendant further answering, avers that during the period of his service as a director of said association, its affairs were honestly managed and carefully considered by the Board of Directors, at least three investigations by disinterested parties having been made during the years 1895 and 1896 and 1897, said investigations being deemed necessary to justify the Board of Directors in authorizing the payment of its matured stock and obligations of the association; that this defendant believed that the affairs of said association at the time of the tender of his resignation were in good condition and the association perfectly solvent; that he tendered his resignation because of the removal of said W. Warne Wilson as a director of said association.

This defendant, further answering, denies all other matters and allegations wherein and whereby this defendant is charged with dereliction of duty or otherwise not heretofore expressly denied, and prays the benefit of said resignation and denies all liability for the conduct of any officers thereafter.

All of which matters and things this defendant is ready to aver, maintain and prove as the Court shall direct, and prays the same benefit of this answer as if he had specially pleaded or demurred to the bill of complaint, and that the same may be dismissed with his reasonable costs and charges wrongfully sustained.

JOHN B. CORLISS.

THOS. T. LEETE, JR.,
Solicitor for said Defendant.

EXHIBIT F.

GEORGE LORD, being duly sworn as a witness on behalf of the complainant, testified as follows:

Examined by Mr. Paine:

Q. Mr. Lord, you were one of the defendants in the case of Edward W. Bishop against the Michigan Savings & Loan Association and George Lord?

A. I believe I am.

Q. I show you the answer filed in that case, purporting to be signed by you, and ask you if that is your signature?

A. It is; yes, sir.

Q. Whose handwriting is that answer in, if you know?

A. I think it is in the handwriting of the attorney-general.

Q. Who was the attorney-general at the time?

A. Mr. Oren.

Q. It is signed by him?

A. Yes, sir.

Q. Now, Mr. Lord, you have lived in the city now about how many years?

A. Seven.

Q. And you are thirty-five years of age and upwards?

A. Yes, sir.

Q. What is your present business?

A. Secretary of the State Tax Commission.

Q. You have been a representative in the legislature from Detroit?

A. Yes, sir.

Q. When this receiver was appointed, what was your business?

A. Chief of the Building and Loan Division, Department of State.

Q. Now how and when was your attention called to the Michigan Savings and Loan Association before the appointment of a receiver in this cause?

A. My attention was not called to it at all, Mr. Paine. I went to examine it under the statute.

Q. Your duties under the statute required that you should examine it?

A. Yes, sir.

Q. And without being called there you went there to examine it?

A. I did.

Q. That was about how long before the receiver was appointed in this case?

A. I was there at the time conducting the examination.

Q. And how long before had you gone there to examine?

A. Oh, about a week; I was there several days any way; I could not tell you just how many.

Q. Now, under the statute, as you say, you examined that association, and what condition did you find its affairs to be in?

A. I found it insolvent.

Q. How long had it been insolvent?

A. Several years.

Q. Prior to your examination?

A. Yes, sir.

Q. Now, when you found that condition of insolvency, did you consult with the directors who were there?

A. I did.

Q. By the way, whom did you find there running the institution?

A. Mr. Wemple, Mr. Hancock, and occasionally Mr. Robbins, I think his name was.

Q. B. C. Robbins, occasionally he came in?

A. Yes, he had a desk in the office, Mr. Paine.

Q. What was his business?

A. That I don't know.

Q. Who assumed to be the chief officer there in charge?

A. Mr. Wemple.

Q. He assumed to be the chief officer?

A. Yes, sir.

Q. He is the man who met you as such when you were there?

A. He met me frequently; Mr. Hancock met me a number of times. Mr. Wemple was the principal man I did business with.

Q. Did Mr. Robbins have anything to say to you?

A. He did not.

Q. When you discovered this insolvent condition of this corporation, did you go into consultation with any of the officers of the corporation?

A. I did.

Q. Who was present?

A. Mr. Hancock, Mr. Wemple.

Q. Who else?

A. No one. They were the only officers I saw.

Q. What was the subject of that discussion?

A. I called their attention to the condition of the association.

Q. And what was said?

A. They agreed with me finally. Mr. Wemple at first did not; he did not seem to think I was correct in my statement. Mr. Hancock, however, fully agreed with what I found:

Q. About the insolvency of the corporation?

A. Yes, sir.

Q. Finally Mr. Wemple had to agree?

A. Mr. Wemple had to agree.

Q. Now, did you discuss with Mr. Wemple or Mr. Hancock, at any of those meetings, what was to be done for the concern, or about the corporation and its affairs, and for its stockholders?

A. I told them that the department would have to proceed under the statute; that in the insolvent condition of the association we would have to call a meeting of the shareholders for the purpose of electing a conservator.

Q. Did they object to that?

A. They did not.

Q. Why was that not finally done?

A. The reason that that was not done, as I understand it, was that if a conservator was appointed in that way the chances would be that a receiver would be appointed in every state where the association did business; and after a consultation it was decided that it would be better to apply to the federal court for the appointment of a receiver, and have ancillary proceedings in other states, and in that way the assets would be better conserved. I agreed to that, Mr. Paine, and so did the attorney-general.

Q. Was the Attorney-General consulted on that subject?

A. He was; he was here with me.

Q. Did the Attorney-General meet Mr. Wemple and Mr. Hancock?

A. That I could not remember.

Q. But you consulted with the Attorney-General?

A. I did, and with the Secretary of State.

Q. Now, as a matter of fact, the chief assets of this corporation were in the form of trust deeds upon property in Texas, were they not?

A. The chief assets were trust deeds in Texas, and some in some other states—I think in Dakota.

Q. And the courts of Texas were holding those trust deeds or like trust deeds, with like provisions, subject to defenses for usury?

A. Yes, sir.

Q. Did you take that into consideration at all in deciding the course to pursue?

A. We did.

Q. And what was your fear about such defenses being made in the State Courts, and how they could arise there?

A. We feared that the assets of the Association would be taken from us, and that borrowers in Texas would get the benefit.

Q. Did you fear proceedings in a State Court in Texas for receivership?

A. We did.

Q. As having an effect upon Michigan assets?

A. We did.

Q. Was that taken into consideration?

A. Yes, sir.

Q. And was it the thought that prompted you to take steps and recommend to the officers of the Association this proceeding in this Federal Court? What was it?

A. Well, that was done, Mr. Paine, after consultation with the attorneys; with the Attorney-General; that matter I think would be for the Attorney-General to answer.

Q. What was your thought as you recollect it now?

Mr. Moody: I object to that as incompetent and immaterial.

A. I will answer in this way: That I think it was the proper proceeding—the better way to conserve the assets of the Association.

Q. And that was your thought after consultation with the Attorney-General?

A. Yes, sir.

Q. When you and the Attorney-General talked over the proper course to pursue, had you any understanding with Ralph L. Aldrich?

A. No, sir, I never consulted with Mr. Aldrich. In fact, at the time I decided that the Association would have to stop doing business I hadn't heard Mr. Aldrich's name mentioned for the appointment as receiver.

Q. You told Mr. Wemple and Mr. Hancock that the Association would have to stop doing business?

A. I stopped them doing business as soon as I found it was insolvent—took charge of the office.

Q. Now, at that time you had never talked with Mr. Aldrich?

A. No, sir.

Q. Concerning the affairs of the Association?

A. Not that I can remember of.

Q. You had no talk with him as to his being receiver?

A. No, sir, none whatever.

Q. Prior to the time that the Attorney-General decided that a receiver should be appointed?

A. No, had no talk with Mr. Aldrich whatever.

Q. Do you know the complainant, Bishop, in this case, Mr. Lord?

A. I do not.

Q. You were sworn as a witness, Mr. Lord, were you not, in the litigation of the Standard Savings & Loan Association on their intervening petition in this cause?

A. Yes, sir.

Q. You found on investigating this corporation that they had made an unlawful loan of the Standard Savings & Loan Association, did you not? And told both corporations that fact, did you not?

A. Yes, sir.

Q. Have you been consulted, Mr. Lord, with reference to certain proceedings taken by James E. Howard, Theodore Young and others, by a petition filed in the Wayne Circuit Court in an attempt to get rid of this cause in this Court and its receivership?

A. I have not.

Q. When did you learn that such a petition had been filed?

A. Not until I was summoned here—to appear here.

Q. You were present when the witness, Thomas F. Hancock, was being examined, were you not?

A. Yes, sir.

Q. When did you first learn that there had been a meeting of so-called directors of the Michigan Savings & Loan Association, for the purpose of installing James E. Howard and his associates as directors?

A. The first I heard of it is today here.

Q. In the examination of Mr. Hancock?

A. Yes, sir.

Q. Nobody gave you any notice of that meeting?

A. No, sir.

Q. Nor talked with you about it?

A. No, sir.

CROSS-EXAMINATION.

By Mr. Moody:

Q. Are you a stockholder in this Association?

A. I was not.

Q. Or a director?

A. No, sir.

Q. Was there any reason for anybody giving you notice of a directors' meeting?

A. I don't know; not that I know of.

Q. Do you conceive of any?

A. Not that I know of.

Q. You know, Mr. Lord, that the proper method, if the examiner found the condition of the Association to be such that it could not properly proceed with its business, that the Secretary of State should, upon the report of the examiner, convene a special meeting of the stockholders and take steps to have a conservator appointed?

A. I did.

Q. And you told the officers that that was the method that would have to be followed?

A. Yes, sir, I did.

Q. And you know now that that was the law?

A. I do absolutely; and I will state further, Mr. Moody, that that was one of the reasons of my statement to the officers that a conservator would have to be appointed—one of the reasons, as I understood it at the time, that there was such haste in the appointment of a receiver by the Federal Court.

Q. Mr. Wemple didn't want a conservator appointed?

A. Mr. Wemple thought that if a conservator was elected the assets might have been gobbled up by the State Courts in the various States where the company was doing business, and in that way the investors of Michigan, where most of the money came from, would not get their share.

Q. Don't you know, Mr. Lord, that a conservator appointed in Michigan could go into the Federal Court down in Texas, or any other place, with a suit—

A. I did not know anything about that. That was not my business.

Q. And you don't understand that this way was worked up by the attorneys interested?

A. I don't.

Q. You said that was talked over by the attorneys, the attorney?

A. It was talked over by the attorneys and others interested—the officers of the Association, the secretary—

Q. What other attorneys were there?

A. The Attorney-General was the only other attorney here in consultation with me.

Q. Was Mr. Aldrich—he had nothing to do with you?

A. Mr. Aldrich had absolutely nothing to do with me—nothing whatever.

Q. Did Mr. Connelly have anything to do, as far as you were concerned?

A. I never met Mr. Connelly at all; I met him here

in Court, when the petition was filed for the appointment of a receiver.

Q. You understood, however, that they were going to try and get somebody to file a bill in the United States Court, to give that Court jurisdiction in this case?

A. I didn't understand that they were going to try to get somebody. I understood they had somebody.

Q. They had somebody?

A. Yes, who would ask for the appointment as receiver—

Q. Who was it?

A. The officers of the Association consented to it; the Department of State consented to it.

Q. You understood that Mr. Wemple and Mr. Hancock had somebody to file a bill in the United States Court?

A. I didn't understand it that way at all; I don't know who got the gentleman to file the petition. As a matter of fact, all I know is that they had an examination, and that the Department of State consented to it.

Q. You know the Department of State could not act in this court?

A. Why not?

Q. Do you know that the Department could not commence this action in this court?

A. Why not, through the attorney general?

Q. Do you not know that they could not do that?

A. I don't, no, sir.

Q. You don't know it was necessary to go outside and to get a stockholder or somebody pretending to be such?

A. I didn't know, no; as far as the Department of State is concerned, as I say, they would have proceeded in that way. This proceeding was hurried on that account, because I would soon have been through in an inventory of the assets. The liabilities were listed, and they showed a large discrepancy, and I was about to send out notices; as a matter of fact—

Q. This proceeding was hurried, Mr. Lord, for the purpose of preventing the proceedings under the statute?

A. Well, I would not say that; I would say it in part; but as I say, it was thought best for the proper conservation of the assets that a receiver be appointed by a federal court, a saving of expense, for one thing; the Department of State especially thought that, because the expense of one receiver would be very much less than the expense of three or four, who would have to

be appointed through the state courts in the various states.

Q. Who advised you that a conservator could not go into any one of the states of the Union?

A. I don't know that anybody advised me.

Q. It was your opinion?

A. It was my opinion.

Q. And you had actual charge of this office at the time this proceeding was taken?

A. I did.

Q. And you had already found that the corporation was not in position to continue its business?

A. I did.

RE-DIRECT EXAMINATION.

By Mr. Paine:

Q. You put all these matters before the Attorney General, as your legal adviser, did you not?

A. Yes, sir.

Q. He considered the whole situation, the proceedings instituted in this court as the best way for all of the stockholders interested, and favorable to the creditors, did he?

A. He did. It was all put up to him for a final decision. We were guided, of course, by what the Attorney General decided.

Q. Now, then, he appeared in this court personally, and was present when the receiver was appointed?

A. He was, yes, sir.

Q. And you were present?

A. Yes, sir.

A. Mr. John D. Conely was present?

A. Yes, sir, and the Secretary of State was present.

Q. That was the present governor?

A. Yes, sir.

Q. And had the then Secretary of State been consulted in this situation also?

A. He had; I kept him informed personally half a dozen times a day during the period I was making the examination.

Q. Now I call your attention, Mr. Lord, to the report of the present Governor, then Secretary of State, to Aaron T. Bliss, Governor, and ask you to look at it. On page 9 and note what is said there over the signature of the present Governor, Fred M. Warner, concerning this proceeding, and ask you to read it, and state whether you

have any personal knowledge of the truth of the facts there stated.

Mr. Moody: Objected to as incompetent and immaterial; as hearsay.

A. I am quite familiar with it.

Q. Is that a true statement of fact?

A. It is.

Q. Will you read it, please?

A. "One of the first associations examined under the new law was the Michigan Savings & Loan Association of Detroit. Before the examination was completed, the association's helpless insolvency became apparent, and as this business was distributed through several states, it was deemed expedient, in order that the assets might be equally divided among the stockholders, to apply to the United States District Court for the appointment of a receiver. The application was acted upon favorably, and receiver appointed in the person of Mr. Ralph L. Aldrich of Detroit, a gentleman who has had an extensive experience in building and loan work, and who will, I am sure, produce the best possible results for stockholders. Owing to the doubtful value of some of the assets of this association, and the fact that the examination did not proceed far enough to accurately determine to what extent its assets had been impaired, it is impossible to state what the loss to stockholders will be. It is true that a loss was sustained by the flood at Galveston, Texas, for which no one is to blame. But it was not so severe but that the association under prudent management might have recovered from its effect, and continued in business without interruption. The fact of the matter is that the association was hopelessly insolvent before the calamity in Texas, and if the directors and officers did not know it, they ought to have known it. To negligent, inefficient and reckless management alone can be attributed the downfall of this association."

Mr. Moody: I move that that be stricken out for the reasons stated in the objection, also for the further reason that the answer involves conclusions of the witness.

Q. Mr. Lord, is it the opinion of yourself, that the statement of fact is correct, is based and was based on your examination at that time?

A. Well, on my examination at that time, and some things I had seen previous to that examination.

Q. What had you observed prior to that time?

A. Complaints had been received in the Department from people desiring to withdraw the value of their stock not receiving their money promptly.

Q. And they complained they could not get their money?

A. They had—a large number of them.

Q. It was these complaints, was it, among other things, that chiefly drew your attention to the association?

A. Well, I will say that they possibly had something to do with our examining that association the first under the new law.

Q. Now, Mr. Lord, when did you first learn, and how did you learn that it had been decided that Mr. Aldrich should be appointed receiver, and who had been consulted concerning that appointment?

A. Well, I don't know that I can remember just who was. I think the Attorney General spoke to me about it; I think so. I don't know that any one—

Q. At any rate, nothing was discussed about who should be receiver until it was decided that the course to pursue was best to have a receiver, as I understand you?

A. That is right; that is as I remember now.

Q. And therefore, the subject of who should be receiver came up, and Mr. Aldrich was decided upon?

A. Yes; I thought he would make a good man.

RE-CROSS EXAMINATION.

By Mr. Moody:

Q. Were you ever connected with the National Association?

A. Yes, sir.

Q. In what capacity?

A. Vice-President.

Q. Were you connected with it at the time, at this time?

A. No, sir.

Q. For how long prior thereto?

A. It was two years afterwards.

Q. Not prior thereto?

A. Oh, no.

Q. You knew Mr. Aldrich at this time, did you?

A. I was not very well acquainted with him; I had met him a few times; I was not anyways intimate with Mr. Aldrich at all.

Q. Some of the conferences were held at the National Loan offices, were they not?

A. Not that I know of, no, sir. I told you I was

not at any of those conferences, that I have heard so much about; none whatever.

Mr. Paine: I move an adjournment of the taking of testimony until tomorrow afternoon at 2:30.

Mr. Moody: I desire to go on with the cross-examination of Mr. Aldrich this afternoon, and ask that he be produced for that purpose.

Mr. Paine: I do not know whether Mr. Aldrich could be produced here or not at 2:30; moreover, I could not be personally present, because I have to meet with Elliott G. Stevenson and others at his office, at 2:30. There are several reasons why I cannot go on at 2:30, or this afternoon at any time.

Mr. Moody: Counsel knew that today was the day set for that purpose, when Mr. Aldrich was on the stand. I made the original objection of going on with anybody else except him, and I want to go on with him.

The Master: You know that we have been in the habit of adjourning at the convenience of counsel; if anybody had an engagement, we have adjourned and accommodated ourselves to the engagement.

Mr. Moody: It so happened that I had an engagement at 12 o'clock, which I put off because Mr. Paine wanted to go on with Mr. Lord.

The Master: Have you an engagement, Mr. Paine?

Mr. Paine: I said I had an engagement with Mr. Stevenson.

The Master: I think, under the circumstances, Mr. Moody, that we better adjourn to 2:30 tomorrow afternoon.

Proceedings adjourned to 2:30 P. M. Wednesday, January 27th, 1909.

(Signed) GEO. LORD.

EXHIBIT G.

THE CIRCUIT COURT OF THE UNITED STATES FOR THE
EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVI-
SION, IN EQUITY.

EDWARD W. BISHOP,	}
<i>Complainant,</i>	
VS.	
MICHIGAN SAVINGS & LOAN ASSO- CIATION and GEORGE LORD,	
<i>Defendants.</i>	}

In the matter of the Petition of De
Forest Paine, counsel for the receiver for
an allowance for disbursements and ser-
vices in such cause.

And now comes Corliss, Leete & Joslyn, solicitors in
said cause and object to all proceedings upon said peti-
tion by the Special Master upon the grounds:

1. Because it conclusively appears from the deposi-
tion of said complainant, Edward W. Bishop, on file in
said cause, the records and books of said defendant cor-
poration and the testimony of Ralph L. Aldrich, former
receiver in the dependent case between the said receiver
and John E. Clark et al., that the jurisdiction of said
court was improperly, collusively and illegally invoked
in violation of Section 5 of the Act of March 3, 1875,
and amendments thereof of the U. S. Statutes.

2. Because it conclusively appears from the evidence
in said cause that said complainant Edward W. Bishop
never was a stockholder of said defendant corporation,
never had any interest therein and that the parties to
said suit were improperly and collusively made and
joined for the purpose of creating a case cognizable un-

der the statutes of the U. S., the court should proceed no further therein but shall dismiss the same in accordance with Section 5 of the Act of March 3, 1875, as amended, of the Statutes of the U. S.

3. Because proceedings to determine the jurisdiction of said court in said cause have already been submitted and heard by the court and under the Act aforesaid, the facts being undisputed, the court shall proceed no further therein.

4. Because the Special Master, Hon. Martin J. Cavanaugh, clerk of said court, having in his possession the depositions, record and testimony above mentioned, conclusively established the facts and it appearing therefrom that the jurisdiction of said court was improperly and collusively invoked, should, in obedience to the Act of Congress above mentioned, proceed no further therein.

CORLISS, LEETE & JOSLYN,
Solicitors for Defendant Frank O. Waldo, et al.

EXHIBIT H.

THE CIRCUIT COURT OF THE UNITED STATES FOR THE
EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVI-
SION, IN EQUITY.

EDWARD W. BISHOP

Complainant,

vs.

MICHIGAN SAVINGS AND LOAN
ASSOCIATION and
GEORGE LORD.

Defendants.

No. 3,723.

To the Judges of said Court.

Your petition, Matthew B. Whittlesey, respectfully shows:

1. That he is Co-Receiver in this cause and has in his possession as Co-Receiver the sum of Sixty-four thousand two hundred, twenty-two and 22/100 dollars (\$64,222.22), besides the moneys specified below as held in the Rochester Savings and Loan Association matter; that there remains undisposed of other property, of the value of not to exceed Five hundred dollars; that all of the debts of said Michigan Savings & Loan Association have been paid except the claim of the Rochester Savings & Loan Association of \$2874.26 and interest; this claim is contested; \$1368.00, the proceeds of securities claimed by said last named corporation as collateral to its demand are also in his possession. The claim of the Standard Savings & Loan Association has been finally defeated. In June or July, 1908, when the Court of Appeals decided the litigation, the amount of the said claim with interest was \$60,985.46. The time within which application to review that judgment might have been made expired in June or July, 1909, as your petitioner is advised by his counsel, and the litigation is therefore closed.

Your petitioner was advised by his said counsel that no distribution of the said fund could be safely made by him until after the expiration of the year from the date of the said judgment of the said Court of Appeals in the said Standard matter. There would have been little or no fund for distribution to stockholders if that

claim had been established, and it was therefore necessary to wait as aforesaid the issue of that litigation.

2. Your petitioner further shows that administration expenses have not all been paid; that his said counsel has rendered services and made disbursements for your petitioner for which said counsel has not been paid, and for an allowance on account of which he has filed his petition in this court, which is now pending undetermined; that there are also certain sums due your petitioner for services and disbursements as receiver. Objections to the jurisdiction of the court have been filed with the Master on said petition.

3. In the cause of Ralph L. Aldrich, Receiver, vs. John E. Clark, John B. Corliss and others, complainant's proofs have been taken showing an indebtedness on the allegations of the bill of many of the defendants to that suit. The defendants who wish to take testimony are John B. Corliss, Lee Amberg, A. P. Vier, Thomas F. Hancock, and perhaps the defendants, John E. Clark and William E. Bradley. A motion is pending made by the solicitor for the Executor of the defendant Scripps for leave to take proofs. All proofs in that cause should be shortly closed, when the cause will be ready for hearing and argument. A number of those who are defendants in that suit have proved claims on stock and filed the same with the Master.

4. Proceedings are also pending in this court on the petition of the Receivers to enjoin further prosecution of the petition filed in the Circuit Court for the County of Wayne, in Chancery, by certain persons claiming to be directors of the Michigan Savings & Loan Association, and others, and to punish for contempt the petitioners named in that petition and their solicitors. An order of reference to take testimony on that petition was made and certain testimony has been taken, but the proceedings are still pending undetermined.

5. Walter S. Harsha, while he was clerk of this court and acting as master, reported to the court the claims of stockholders who had made proof of their claims; upon the petition of the receiver the report was referred back for further investigation, and under the order referring the same back, notice was required to be given to the stockholders whose claims your petitioner

desired to contest. Your petitioner has filed with the Special Master, Mr. Martin J. Cavanaugh, his objections to certain claims, specifying them, and the Master has set the same down for hearing on the 7th day of January, 1910.

The said last named Master has reported back to this court the names and claims of all other stockholders, specifying the amount of the claim proved by each of them. Said report was filed December 23, 1909. The total of the claims so reported back is about the sum of \$421,000.00. The total of the claims objected to and contested before the Master by your petitioner as aforesaid, amount to the sum of about \$40,000.00. Reference is made to the record for certainty as to the foregoing figures.

6. In March, 1909, Henry A. Cleland, a stockholder who had proved his claim, filed his petition in this court, in which it was claimed that the court was without jurisdiction and should proceed no further in the cause, and the prayer of which, among other things, was that all proceedings on the bill of complaint be dismissed and the receiver discharged. A motion was made by your petitioner and argued by his counsel in July, 1909, to strike the said petition from the files and records of the court, which motion is as yet undisposed of.

Objections to the jurisdiction, as hereinbefore stated, have also been filed with the Master in the matter of the petition of the Receiver's counsel for an allowance on account.

7. If the Court shall think it proper to order the payment of a dividend at this time your petitioner asks authority to pay the same to such shareholders or persons as the court may determine are entitled thereto, and in such sum as the court shall decide, and for such other order in the premises as to the court shall seem meet.

(Signed) MATTHEW B. WHITTLESEY,
Co-Receiver of the Michigan Savings
& Loan Association.

DE FOREST PAINE,
Solicitor and of Counsel for Co-Receiver.

STATE OF MICHIGAN, }
COUNTY OF WAYNE, } ss:
EASTERN DISTRICT, }

On this 30th day of December, A. D. 1909, before me, a notary public in and for said county, personally appeared Matthew B. Whittlesey, the petitioner in the foregoing petition, and made oath that he had read the said petition and subscribed the same, and that the same was true of his own knowledge, except as to the matters therein set forth on information and belief, and as to those matters he believes it to be true.

CHARLES E. HILTON,
Notary Public, Wayne County, Michigan.
Commission expires December 12, 1911.

EXHIBIT I.

THE CIRCUIT COURT OF THE UNITED STATES FOR THE
EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVI-
SION, IN EQUITY.

EDWARD W. BISHOP,	
	Complainant,
VE.	
THE MICHIGAN SAVINGS AND	
LOAN ASSOCIATION and	
GEORGE LORD,	
	Defendants.

In the matter of the petition of Matthew B. Whittlesey, co-receiver, in the above entitled cause, dated December 30, 1909, submitting information with reference to proceedings taken in said cause and asking authority to pay a dividend to the share holders as the court may determine, hearing thereof being set for February 7, 1910.

And now comes Corliss, Leete & Joslyn, solicitors in said cause and object to all proceedings in said petition upon the grounds:

1. Because it conclusively appears from the deposition of said complainant, Edward W. Bishop, on file in said cause, the records and books of said defendant corporation, the reports and testimony of Ralph L. Aldrich, former receiver in the ancillary case in said cause that the jurisdiction of said court was improperly, collusively and illegally invoked in violation of Section 5 of the Act of March 3rd, 1875, and amendments thereof of the U. S. Statutes.

2. Because it conclusively appears from the evidence in said cause that said complainant, Edward W. Bishop, never was a stockholder of said defendant corporation, never had any interest therein and that the parties to

said suit were improperly and collusively made and joined for the purpose of creating a case cognizable under the statutes of the U. S., the court should proceed no further therein but should dismiss the same in accordance with Section 5 of the Act of March 3, 1875, as amended, of the Statutes of the U. S.

3. Because steps have been taken to review the action of the court of this cause as to the jurisdiction of the court.

These objections are entered in order to preserve the rights of the parties and to hold intact the funds in the hands of the court until the rights of all parties have been finally adjudicated.

(Signed) CORLISS, LEETE & JOSLYN,
Solicitors for Frank O. Waldo, John Taylor
and John B. Corliss, et al.

Office Supreme Court U. S.

FILED

APR 2 1910

JAMES H. MCKENNEY,

Clerk.

Supreme Court of the United States

THE MATTER of the petition of HENRY A. CLELAND for Writ of Mandamus to compel the Honorable HENRY H. SWAN, United States District Judge for the Eastern District of Michigan, sitting in the Circuit Court of the United States for the Eastern District of Michigan, in Equity, to dismiss the cause pending in said Circuit Court entitled EDWARD W. BISHOP vs. MICHIGAN SAVINGS & LOAN ASSOCIATION and GEORGE LORD.

No. 12 Orig.

BRIEF FOR RESPONDENT.

DE FOREST PAINE,
Attorney for Respondent.

DETROIT:

Howard Printing Co., Free Press Bldg. 15 and 18 Lafayette Ave.

1910

Supreme Court of the United States

IN THE MATTER of the petition of
HENRY A. CLELAND for Writ of
Mandamus to compel the Honorable
HENRY H. SWAN, United States
District Judge for the Eastern Dis-
trict of Michigan, sitting in the Cir-
cuit Court of the United States for
the Eastern District of Michigan, in
Equity, to dismiss the cause pend-
ing in said Circuit Court entitled
EDWARD W. BISHOP vs. MICHIGAN SAVINGS & LOAN ASSOCIATION and GEORGE LORD.

BRIEF FOR RESPONDENT.

I.

THE CASE.

The Michigan Savings and Loan Association was organized under the laws of the State of Michigan, and began business about the year 1889 in the City of Detroit, Michigan. It was a mutual benefit concern issuing installment and paid up shares in series. Its members were privileged to withdraw their deposits on giving notice to the association, and the scheme of the association was to afford its members a safe investment for their savings, aid them in the purchase and improvement of real estate, and to so invest their money that, after a certain number of payments had been made on their shares, the same would be matured and paid. On or about January 1st, 1896, it paid its first series of shares as matured when they were not matured; and from that date it rapidly declined. In its nature it was a money lending corporation; but it made few loans after the year 1896. It became almost continuously thereafter a money borrowing corporation (R., 6), and when it failed it owed \$100,000 and upwards (R., 7). It made large losses during the conduct of its business, charging off at one time—January, 1900—about

two hundred thousand dollars. At that time the said corporation was, and for a long time prior thereto had been insolvent (R., 6); and its affairs were in such a state sometime in the early part of the year 1901 that the building and loan department of the State of Michigan, through George Lord, made an examination and found it hopelessly insolvent and unable to continue its business (R., 221, 231). At this time while the by-laws of the corporation provided for a board of directors of seven (R., 131), there were only three, and one of the three (Butler Ives) was giving no attention to the affairs of the association (R., 3). Its business and management were in the hands of Frederick B. Wemple, a director and its secretary and manager, and Thomas F. Hancock, a director and its vice president (R., 3, 91). Mr. Lord met these gentlemen at the office of the association when he made his investigation, and consulted with them concerning the insolvent condition of the association, and the best course to pursue. He reported to the Secretary of State, whose subordinate he was in making the investigation, and to the Attorney General of the State, the condition of affairs, and, on consultation with the Secretary of State and the Attorney General, and with the said officers of the corporation, it was decided that the best interests of the shareholders required the appointment of a receiver in the United States Court for the Eastern District of Michigan. The reasons that moved them to that decision were, that the shareholders of the corporation lived in many different states of the Union, that its assets were scattered from Pennsylvania to Wyoming and from the Northern Peninsula of Michigan to Texas. It was feared that receivers might be appointed in different states by the State courts of those States, and especially by the State Courts of Texas, which Courts were holding such securities as the Michigan Savings & Loan Association had issued, usurious. It was thought that one receivership would be less expensive than many (R., 221, 231). And while a proceeding for winding up the corporation was provided by the State law, it was thought the better course for the stockholders to have a receiver appointed in the United States Court. Thereupon all parties agreed upon the appointment of Mr. Ralph L. Aldrich, who had acted as attorney for the association and who was familiar with building and loan matters, as receiver. To carry out this purpose and object the association issued a certificate of shares to Edward W. Bishop of Muncie, Indiana, and a citizen of that State, and Mr. Aldrich assigned to Bishop a certificate issued to him.

The certificate issued to Bishop was for 20 shares of what is called "fifty cent installment stock." It recites that he holds the same in consideration of the entrance fee (Bishop's deposition; Return, p. 83). Upon this stock was paid ten dollars, as appears by the books of the association; by whom does not appear (Return, p. 6; Petition, p. 63).

The other certificate was for three shares of "paid up" stock. Attached to that certificate were negotiable coupons of the corporation payable to bearer whereby it agreed to pay semi-annual interest in the sum of \$5.85 on the 1st days of July and January each year (Return, Bishop's deposition, 81-82). Said certificate issued to Mr. Aldrich was in consideration of the payment by him in services (Return, p. 5, petition 66) of the sum of \$195.00 and was transferred by Mr. Aldrich to Bishop. These two certificates, when matured, would be in the sum of \$2,300.00. These certificates were delivered to Bishop before he signed the bill and were in his possession when he signed it. Thus qualified Bishop signed and filed, for the reasons aforesaid, and in behalf of the shareholders, his bill in the Circuit Court of the United States for the Eastern District of Michigan against said Association and George Lord, by John D. Conely, his solicitor, on the 30th day of March, 1901, praying that a receiver be appointed to conserve the assets and to wind up the affairs of the Association and for general relief.

He avers in the bill that he is a citizen of Indiana and the owner of shares of stock in the association of the par value of two thousand dollars and upwards; that its last statement dated July 1st, 1900, made to the Secretary of State, showed total assets of \$622,344.77 and liabilities of the same; that it had made large losses, which had so impaired its assets, that it would be unable to continue its business; that, owing to the withdrawal of stock, it had been unable to make new loans; that its earnings were insufficient to pay its expenses; that it only had three directors when its by-laws required seven; that it had borrowed large sums of money without authority of law and had hypothecated its securities to secure the repayment of such loans; that it had shareholders or assets in the States of Michigan, Indiana, Pennsylvania, Texas, North Dakota, Arkansas and Wyoming; that George Lord, chief of the building and loan division of the office of the Secretary of State of the State of Michigan, acting for the Secretary of State, claimed to

be in the possession of the office, books and assets of the corporation under the laws of the State of Michigan (Petition, pp. 12-13).

George Lord, through Horace M. Oren, the Attorney General of the State of Michigan, answered the bill admitting its averments; the Michigan Savings & Loan Association answered the bill admitting its chief averments. Its answer is signed for it by Thomas F. Hancock, its Vice President. At the time he signed and filed its said answer Frederick B. Wemple, its secretary and manager, was absent from the city, and Hancock was the only remaining officer giving attention to its affairs (Bill and Answers, Petition, pp. 14-15-16; Return, p. 10).

On the 11th day of April, 1901, the complainant having moved for the appointment of a receiver, Mr. Aldrich was appointed receiver; and when he was appointed there were present in Court Mr. John D. Conely, solicitor for the complainant, Mr. Horace M. Oren, Attorney General of the State of Michigan for the defendant (Lord), Mr. Fred M. Warner, the then Secretary of State, and the present Governor of Michigan, and Mr. De Forest Paine, solicitor for the association, all of whom consented to such appointment (Return, p. 6). Mr. Aldrich duly qualified and took possession of the assets of the corporation.

Within a short time he applied to the Circuit Courts of the United States for the Northern District of Texas and for the Eastern District of Texas, to be appointed receiver by those Courts, and was so appointed; and he duly qualified and entered on his duties under such appointments. He administered the affairs of the association, in Texas, under those appointments, accounted to the Courts, closed his receiverships in them and reported to the Court of primary jurisdiction. Sales of the property in Texas were made under the authority of those Courts; foreclosures of mortgages had and settlements with members and debtors made and his accounting had (Return, p. 13).

Meantime the administration of the trust was proceeding under the authority of the Court in Michigan. On the 23rd day of April, 1902, an order was entered in the cause requiring stockholders and creditors to make proof of their claims on or before November 1st, 1903. Pursuant to such order about 550 stockholders have proved

claims in the cause which are undisputed, and are established on the report of the master, amounting to the sum of \$421,000 (Return, pp. 7, 15). About \$40,000 are disputed; and within that \$40,000 is the claim of James S. Galloway of \$15,048 on certificate No. 8198 for \$22,800, which certificate it appears, from testimony in the cause, was issued to Wemple without consideration and delivered by him to Galloway to secure Wemple's private debt (Return, 12).

And when the petition of Cleland was filed below, in March, 1909, all of the property of the Association, wherever situate, with the exception of about \$500.00 in value, had been disposed of under orders of said Courts, all debts except one claim of less than \$3,000 paid; all claims against the fund on intervening petitions had been litigated and ended, except as aforesaid; and there were in the hands of the receiver as the proceeds subject to administration expenses, the sum of \$64,222.22 (Return, p. 234).

While the report of the receiver showed assets of \$321,000 the amount received was but \$170,000, out of which debts of about \$50,000 have been paid. The receiver says that while he first reported the assets at \$321,000 that statement was taken from the books of the association and the figures were largely fictitious; that in many instances mortgages were carried as live assets, which had been paid and discharged; that in other instances the lands on which the mortgages rested had been sold for taxes, and tax liens had accumulated to such an extent, that there was no equity in the property out of which to realize the mortgage debt; that, in other instances, the lands and buildings were never of the value of the mortgage lien; that the amount of the mortgage loan had, in some cases, been swelled by crediting dues never received; that he realized upon the assets, at private sale, not public auction; and that, in his opinion, he realized all that it was possible to get out of the several properties sold (Return, p. 12).

Many intervening petitions have been filed, in the Court in Michigan, in which large claims have been made against the fund. Among the important claims was that of the Standard Savings & Loan Association, a building and loan association, organized under the laws of the State of Michigan, having its principal office in the City of Detroit, Michigan. It filed its intervening petition setting up its claim, and on consent of Mr. John D. Cone-

ly, counsel for Receiver Aldrich, and on the admission of the receiver an order was entered, on the 12th day of July, 1901, establishing that claim at the sum of \$44,240.33 (Return, p. 14). Afterwards, and after Mr. Paine had been appointed counsel for the receiver, proceedings were taken by him to have that order vacated, and to contest the claim. The order was vacated, the contest made, and the claim defeated in the Court below, and on appeal by the Standard Association to the Court of Appeals of the Sixth Circuit, the decree of the Court below was affirmed (163 Federal Reporter, 216). The opinion of the Court of Appeals in that matter was filed in July, 1908, and its mandate Sept. 1, 1908 (Return, 14).

In the spring of 1903 the receiver was authorized by the Court below to file his dependent bill, in the cause against certain persons who were and had been directors of the Michigan Savings & Loan Association, charging them with negligent management, and about 500 shareholders, who, he averred, had received more than their rightful share of the assets. A copy of that bill is Exhibit D of the return (Return, 99).

Many of the defendants in that cause appeared, some of whom answered, others demurred, and others plead the statute of limitations. About 80 lawyers appeared in the cause. The demurrer of Robert T. Gray, administrator of the estate of George H. Scripps, deceased, came on for argument, and was sustained, and the bill was dismissed. On appeal by the receiver to the Circuit Court of Appeals for the Sixth Circuit, the decree of the Court below was reversed, and the cause sent back for further proceedings. The mandate of the Court of Appeals was filed on the 16th day of October, 1906; the cause is reported in 147 Federal Reporter, page 453.

Thereafter the remaining demurrers were brought on for hearing and argument and overruled, answers were filed by certain of the defendants who had demurred, and such proceedings had, that the cause was brought to issue sometime in April, 1907. The complainant began, at once, to take his testimony in the cause, and prosecuted the same with diligence, taking testimony by deposition, in the States of Pennsylvania, Michigan, Nebraska, South Dakota, Colorado and Texas, and finished his proofs in the early spring of 1909. The time allowed by the rules and practice and orders of the Court extending the time for taking proofs having expired, the cause was duly

noticed for hearing, and is now on the docket for hearing at the present March term of Court.

The time having elapsed when it was possible to review, in any way, the decision of the Court of Appeals in the Standard case, and on the 30th day of December, 1909, Matthew B. Whittlesey, co-receiver, filed his petition for leave to pay a dividend (Return, 234).

That petition coming on to be heard, Corliss, Leete & Joslyn, solicitors, appeared and objected that the Court had no jurisdiction; and the petition is pending undetermined.

There also remain pending and undetermined, the petition of the receivers' counsel for an allowance on account for services and disbursements, and a petition of the receivers to stay certain proceedings in the Wayne Circuit Court and to punish the parties taking them for contempt; said last named petition was filed under the following circumstances:

On or about the 18th day of January, 1909, certain persons, claiming to be directors of the Michigan Savings & Loan Association, filed a petition in the Circuit Court for the County of Wayne, praying for the dissolution of the association, and for the appointment of a receiver, averring a waste of the funds of the trust by the receivers, without showing any application to the United States Court to stay the waste.

The said last named petitioners became directors, it transpired, in this way: The men who were directors when the corporation closed its doors, to-wit, Frederick B. Wemple, Butler Ives and Thomas F. Hancock, all of whom, as has been set forth, were defendants in said cause of Aldrich, Receiver, vs. Clark and others, met in the City of Detroit, resigned, and appointed the said petitioners directors (Return, p. 3).

At the time that petition was filed, certain negotiations were pending between the solicitor for the receivers and the solicitors for the estate of George H. Scripps, one of the parties to said dependent bill filed by the receiver against certain directors and shareholders.

Said estate through its solicitor, Mr. Jay W. Curts, had made an oral offer of \$15,300 to settle its liability. Mr. Curts had been requested to put the offer in writing. The filing of that petition, in the Wayne Circuit Court,

was one of the reasons why the said oral offer was withdrawn (Return, pp. 3-4).

Thereupon the receivers filed their petition in the Circuit Court of the United States setting forth the facts, on which petition an order was made staying the said proceedings in the State Court, and requiring the petitioners to show cause why they should not be punished for contempt (Return, pp. 17-58). The respondents answered and the matter was referred to a master.

Another proceeding taken in the cause, which is finished was one on the petition of certain shareholders, including Mr. Cleland, filed December 5, 1905, who complained of the administration of the trust by Receiver Aldrich, and who prayed for his removal. Subsequently and on October 23, 1906, the petitioners presented a petition praying that a new receiver be appointed. The Court, after an investigation of the receiver's accounts, continued him as receiver and appointed Matthew B. Whittlesey co-receiver, who was given the custody of the funds (Return, pp. 1-2).

On the 16th day of March, 1909, after this cause had been pending for eight years, and after all the foregoing proceedings had been had, the petitioner, Henry A. Cleland, who had proved his claim in the cause on the 29th day of May, 1902, under said order requiring stockholders and creditors to prove their claims, filed his petition challenging the jurisdiction of the Court (Petition, p. 8).

He sets forth in his petition that he is a shareholder, and that, on the 29th of May, 1902, he proved his claim in the cause in the sum of \$2,000.00, which claim was reported to the Court by the special master in the amounts due stockholders. He charges that Bishop had no interest in the association; that he was not a bona fide stockholder; that there was no real controversy between him and the association; that he was collusively made a party for the purpose of invoking the jurisdiction of the Court; and he avers that under the statutes of the United States the Court should proceed no further in the cause, but should dismiss the same. He further avers that he is lately informed on the subject.

He prays that proceedings in the cause may be stayed pending the determination of the jurisdiction of the Court, and that the proceedings be dismissed, the receivers dis-

charged and the assets turned over to the officers of the association or persons entitled thereto.

A motion was made to strike that petition from the record, on the ground that it had been filed without leave. It was argued by Mr. Joslyn of the firm of Corliss, Leete & Joslyn, and Mr. Moody, the petitioner's solicitor. Mr. John B. Corliss of said firm was also present.

The merits of the matter having been argued on that motion the Court took the petition under advisement, and investigated the facts, and made an order denying the prayer of the petition (Petition, pp. 82-83).

It is to review and reverse that order the petition for mandamus is filed here.

II.

PARTIES: PETITIONER CLELAND'S INTEREST.

Before passing to the law points I call attention to the color of this litigation.

When the administration of the trust by the Court below is drawing to a close, on the eve of the distribution to shareholders of the funds in the receivers' hands, and when a suit against directors whose negligence is averred to have caused the failure of the association, and against shareholders charged with having received more than their rightful share of the common fund is about to be heard, a single intervening shareholder owning \$2,000 of stock out of 550 shareholders whose holdings proved and undisputed amount to \$421,000, files his petition in this Court challenging the jurisdiction of the Court below, and praying that it be commanded to dismiss all proceedings. The natural inquiry is, why?

He avers, as a reason for not following the remedy by appeal, that there will be litigation involving long delay and great expense. He means and refers, chiefly, to the said suit of Aldrich, receiver, vs. Clark, Gray, Corliss and others, when he says there will be litigation, delay and expense; there is no other litigation pending, except on the claim of the said New York corporation, the Rochester Savings & Loan Association, for less than \$3,000. All other litigation is ended, was ended before

he began to complain. After years of effort and much expense, that case against the directors and shareholders is on the docket for a hearing. The Court of Appeals of the Sixth Circuit held, on the demurrer of Gray, administrator, to the bill in that cause, that payments to withdrawing shareholders when the corporation was insolvent, were unlawful payments, and that the persons who received the money were liable therefor. *Aldrich vs. Gray*, 147 Federal, 453, approved in *Standard Savings & Loan Association vs. Aldrich*, 89 C. C. A., 646 at 650; 163 Fed. Rep., 216.

It is such payments, among others, that the receiver seeks to recover of shareholders in said suit.

And as to expenses: What proportion of the expenses does he pay? Less than a half cent on every dollar; on every \$1,000, approximately \$5.00. His interest in the fund is 2-421, or 1-210. If nothing were to be deducted from the fund now in the receiver's hands, to-wit, \$64,222.22, for administration expenses, and the whole sum were distributed to shareholders, petitioner Cleland's interest would be in round numbers \$305.00. His interest is less, because administration expenses must be paid.

With this proportion of expenses to pay and this pecuniary interest in the matter, he is trying to bring to naught, and to defeat the efforts of the receiver to recover for his own benefit, and that of the other shareholders, all sums of money alleged to be due in the said suit of *Aldrich vs. Gray, Corliss, Clark et al.* That the reasons he gives for his petition are not the real reasons for prosecuting it seems obvious.

If his prayer is granted, who profits by it? Not Cleland or any other shareholders who have proved their claims, and who are not parties to said dependent bill; the distribution the petitioner seeks, and that may follow a dismissal of all proceedings below, the Court below is already petitioned by Receiver Whittlesey to make. The said suit out of which the shareholders fund may be increased will fall; all rights of action set up in it will be barred by lapse of time and lost. Who then is to profit by it?

Manifestly the defendants in said dependent cause who hold funds of the association unlawfully withdrawn and the directors of the association who have maladministered its affairs; they and they only will profit by it. They, directors and shareholders, will thus escape a liability

that may be entered against them therein. And herein it is apparent lies the motive for this proceeding.

And I submit that this petition is filed in the interest and in behalf of the defendants, or some of them, in that cause; that they, or some of them, are the active moving parties behind Cleland both in his petition in the Court below and in his petition here.

It is singular that Cleland is the only shareholder among the 550 who have proved their claims, who asks this Court to prevent the recovery and payment of moneys unlawfully paid to other shareholders, or for which the directors are liable.

III.

MANDAMUS NOT THE PROPER REMEDY.

A question at the threshold of this controversy concerns the remedy.

The respondent submits that on this record mandamus will not lie.

1. On the original bill and answers the Court below acquired and had jurisdiction of the cause; and the petition below presented for decision the question whether that jurisdiction had been unlawfully invoked and lost; the petition averred

"that this suit does not and did not at the time it was commenced really and substantially involve a dispute or controversy properly within the jurisdiction of this Court, and that the parties to this cause have been improperly and collusively made and joined for the purpose of creating a cause cognizable under the acts of Congress" (Petition, pp. 80-81).

The District Judge investigated and decided that

"The Court was not and is not satisfied that its jurisdiction was illegally or collusively invoked. On the contrary the Court was and is satisfied that the suit involves a dispute properly within its juris-

diction, and that the parties have been properly made and joined" (Return, pp. 15-16).

The decision of that question was the exercise of judicial judgment and discretion, and, if the Court erred in its conclusions, the remedy is not by writ of mandamus, which cannot be used to perform the office of appeal or writ of error.

Ex parte Loring, 94 U. S., 418.

In re Rice, 155 U. S., 396.

In re Atlantic City Railroad, 164 U. S., 633.

American Construction Company vs. Jacksonville Ry. Co., 148, U. S., 372, 379.

In re Pollitz, 206 U. S., 323.

Ex parte Nebraska, 209 U. S., 436.

In re Winn, 213 U. S., 458, 468.

Matter of Riggs, 214 U. S., 9.

In *re Rice*, the Court say:

"The writ of mandamus cannot be issued to compel the Court below to decide a matter before it in a particular way, or to review its judicial action had in the exercise of legitimate jurisdiction. The writ cannot be used to perform the office of an appeal or writ of error, even if no appeal or writ of error is given by law. *American Construction Company vs. Jacksonville Railway*, 148 U. S., 372, 379;" at 403.

The Court, in *American Construction Co. vs. Jacksonville Railway Co.*, use this language:

"Least of all can a writ of mandamus be granted to review a ruling or interlocutory order made in the progress of a cause;" at 379.

In the matter of *Riggs*:

"We rest our conclusion upon the proposition that the District Court in adjudicating the Tunnel company a bankrupt, was called upon to decide, and did decide a question of fact or of mixed law and fact, and that such adjudication cannot be reviewed by proceedings in mandamus. *In re Pollitz*, 206 U. S., 323, 331; *In re Winn*, 213 U. S., 458;" at 14, 15.

In *re Pollitz*, *supra*, the Court pointed out two instances in which the writ would lie; one,

"When the Court refuses to take jurisdiction of a case and proceed to judgment therein, when it is its duty to do so, and there is no other remedy, mandamus will lie unless the authority to issue it has been taken away by statute." Citing in re Grossmayer Petitioner 177 U. S., 48; in re Hohorst Petitioner 150 U. S., 653.

The other:

"Where the Court assumes to exercise jurisdiction on removal when on the face of the record absolutely no jurisdiction has attached;" at 331, 332. Citing *ex parte Wisner*, 203 U. S., 449.

And the Court further say:

"The application to this Court is for the issue of the writ of mandamus directing the Circuit Court to reverse its decision, although in its nature a judicial act and within the scope of its jurisdiction and discretion.

But mandamus cannot be issued to compel the Court below to decide a matter before it in a particular way, or to review its judicial action had in the exercise of legitimate jurisdiction, nor can the writ be used to perform the office of an appeal or writ of error." At 331.

In this case Pollitz, a citizen of New York sued in the Supreme Court of New York a citizen of another State and citizens of New York State. The non-resident removed it to the United States Court on the ground of separable controversy. A motion to remand was denied by the Court, which held that the controversy was separable and that the other defendants were not indispensable parties. Pollitz thereupon applied to this Court for leave to file a petition for mandamus directing the cause to be remanded to the State Court. The cause coming on for a hearing on the return to the order to show cause the Court discharged the rule and dismissed the petition.

This case is quoted at length and approved in

Ex parte Nebraska, supra.

That case was this:

The State of Nebraska with others began suit, in the State Court, against the Chicago, Burlington & Quincy

Railroad Company to enjoin it from charging, within the State of Nebraska, greater freight rates than those fixed by the laws of the State. The company removed the case to the Circuit Court of the United States. Its petition averred that it was a citizen of Iowa; that the parties joined with the State as plaintiffs were citizens of Nebraska and that the State was not a real party in interest, and was joined simply for the purpose of depriving the United States Court of jurisdiction.

A motion to remand on the ground that the United States Court had no jurisdiction over the parties or the subject matter was overruled.

Leave was granted by this Court to file a petition for mandamus directing the remanding of the cause to the State Court, and on the return to the order to show cause, the matter was heard, the rule discharged and the petition dismissed. The Court say:

"The Circuit Court was called upon on this record to decide whether the State of Nebraska had any real or legal interest in the controversy alleged to have been wholly between citizens of different States; and it was a decision which the Court had a right to make, involving no abuse of judicial discretion.

A premature review cannot be obtained by a writ of mandamus." At 446, 447.

In re Winn, *supra*:

In this case the circumstances under which mandamus will issue are fully considered and the cases reviewed.

The Court say:

"Their decision." (questions of fact) "is the exercise of judicial discretion and if that discretion is erroneously exercised it can be corrected only by a writ of error or appeal. In these cases writs of mandamus must not be permitted to usurp the functions of writs of error or appeals or take their place where they offer an adequate remedy to the aggrieved party. It is only in cases where the record makes it clear, as a matter of law, that the Circuit Court was without jurisdiction to take any action whatever that the writ of mandamus lies." At p. 468.

These cases establish:

1. That mandamus does not lie to control judicial

discretion; it cannot be used to perform the office of appeal or writ of error.

2. That it is a remedy only

- (a) Where the record makes it clear that the Circuit Court was without jurisdiction to take any action whatever.
- (b) Where the Court refuses to take jurisdiction of a case and proceed to judgment therein when it is its duty to do so and there is no other remedy.

It is manifest that to issue the writ of mandamus commanding the Circuit Court to reverse its decision would be directing it to decide a question of fact in a particular way and would be controlling its judicial discretion.

The remedy is by appeal after final decree.

Since writing the foregoing a copy of the petitioner's brief is received. I note his counsel rely upon

Ex parte Wisner, and

In re Winn, to support his petition.

The cases were removals from State Courts; and they are illustrations of the principle that:

"Where the Court assumes to exercise jurisdiction on removal when on the face of the record absolutely no jurisdiction has attached," the writ will lie.

They are not in point on this record.

IV.

JURISDICTION: It was not Unlawfully Invoked.

It is the claim of the petitioner that the jurisdiction of the Circuit Court was invoked, in violation of the Act of March 3rd, 1875, and its amendments, and that the case should be dismissed in accordance with the act.

His claim as stated in his petition below is quoted in Subdivision "III." of this brief. It is stated by his counsel in his brief here as follows:

"Bishop never was a bona fide stockholder of the Michigan Savings & Loan Association, but that stock was issued to him merely as a collusive contrivance to qualify him to bring suit in the Federal Courts for the purpose of evading the commands of the Michigan law and getting Aldrich appointed receiver. The petition here contends that this constituted a fraud upon the court and upon all the stockholders of the association, and that upon the matter being brought to the attention of the court it was mandatory upon the court to proceed no further in the cause, but to dismiss the same in accordance with the provisions of Section 5 of the Act of March 3rd, 1875" (Brief 8).

The District Judge examined the objection and concluded it was not well taken. In his opinion the jurisdiction of the court was not unlawfully invoked. On the contrary, he was of the opinion that the suit involved a dispute properly within the jurisdiction of the court and that the parties were properly made and joined.

Is there error in that conclusion? We maintain that there is not; that the conclusion is correct.

1. In examining the objection it is to be noted that the petitioner's counsel does not claim in his brief here, nor did he argue below, nor does the petition below or the petition here, set up any want of jurisdiction apparent on the face of the original bill.

No point is made here, nor was it argued below, that there was any want of proper parties, or of amount in controversy, or any other defect in the bill on its face. The argument here is, and was below, that the qualifying of Bishop for the purpose of the suit was unlawful and a fraud on the court under the act specified.

That act (18 Stat. 472, c. 137, Sec. 5) [U. S. Comp. St. 1901. p. 511, tit. 13, c. 7 Sec. 629] provides:

"That if in any suit commenced in a Circuit Court or removed from a State Court to a Circuit Court of the United States, it shall *appear to the satisfaction of said court*, at any time after such suit has been brought or removed thereto, that such suit does not really and substantially in-

volve a dispute or controversy properly within the jurisdiction of said Circuit Court, or that the parties to said suit have been improperly or collusively made or joined, either as plaintiffs or defendants, for the purpose of creating a case cognizable or removable under this act, the said Circuit Court shall proceed no further therein, but shall dismiss the suit or remand it to the court from which it was removed as justice may require, and shall make such order as to costs as may be just."

2. In determining whether this act is violated, there is, at the outset, a fact so persuasive as to nearly, if not entirely, eliminate further inquiry, namely, the petitioner's long delay in making the objection.

Eight years after the bill in this cause was filed, and nearly seven after he had proved his claim in the cause, the petitioner Cleland challenges the jurisdiction of the court to which he himself has submitted and twice appealed by petition. No excuse for the delay is offered or made by him. He does not say why he was not informed before, or what steps, if any, he ever took to become informed, or when. He simply says that he is "latently informed" (Petition 73).

Such an averment does not excuse delay. When, and how knowledge was obtained, and why the discovery was not made before, must be averred.

Hardt vs. Heidweyer, 152 U. S., 547, at 558, 559.
Foster vs. Mansfield, Coldwater R. R., 146 U. S., 88 at 99, 100.

If the objection he makes could be waived he has waived it. A more flagrant negligence could scarcely be conceived. From the time he proved his claim in the cause, on the 29th day of May, 1902, until the 16th day of March, 1909, when he filed his petition challenging the jurisdiction, he had had notice of the cause and of the proceedings therein. Meantime litigation was carried on in the court and cause and in the appellate court. In the course of that litigation decrees were made and entered and reversed or affirmed on appeal; sales of property were made, accountings had and large expenses incurred. And when the administration of the trust was nearing its end, when the time was near at hand when the moneys in the hands of the receivers could

be distributed to stockholders, Cleland files his petition saying that it all amounts to nothing: saying—to use the language of Mr. Justice Brewer in *Riverdale Cotton Mills vs. Manufacturing Company*, 198 U. S. at 192—“that parties, lawyers and courts have been spending their time and labor in simply beating the air.”

At least he is entitled to little, or no consideration. If there be any force in his claim it will be notwithstanding his conduct, and in the face of it, and by virtue of the law he specifies.

But in examining into the grounds upon which his objection rests his delay in presenting it should be and will be considered.

Deputron vs. Young, 134 U. S., 241 at 251, 252.
Toledo Traction Co. vs. Cameron, 137 Fed. R. 48 at 55, 56; *Court of Appeals Sixth Circuit*, S. U. 69 C. C. A. 28 at 35, 36.

See Briggs vs. Traders Co., 145 Fed., R., 254 at 259, 260.

Deputron vs. Young was an action of ejectment. After two trials, *Deputron* filed his petition alleging that *Young*, the plaintiff, was not the real party in interest, that title had been transferred to her collusively for the purpose of suit in a Federal Court; and that the cause be dismissed. The petition was dismissed below, and on error here this court, after quoting the statute and in affirming the judgment, say:

“The application here was made more than a year and a half after the second trial, and although the petitioner avers that he did ‘not have knowledge of the above facts before the trial of this cause’ we remark in passing that such an objection ought to be raised at the first opportunity, and delay in its presentation should be considered in examining into the grounds upon which it is alleged to rest;” at page 251, 252.

In *Toledo Traction Company vs. Cameron*, the court say:

“The court was acting under the authority of the act of 1875, and it is settled that it must clearly appear that the court is being imposed

upon, in order to justify a dismissal of the cause; and we may add that this rule is applied with increased rigor when the presentation of the objection is long delayed as when the case has been tried and a verdict and judgment on the merits has been reached before the attention of the court has been drawn to it; presupposing, of course, that the lack of jurisdiction is not apparent on the record" (At 55, 56).

3. The act has been considered by this court in several cases, and this is clearly established by them:

"That the court below is not warranted in dismissing the cause unless the facts create a legal certainty of the conclusion based on them."

Barry vs. Edmunds, 116 U. S., 550, 559.

Deputron vs. Young, 134 U. S., 241, 252.

Wetmore vs. Rymer, 169, U. S., 115, 128.

Put-in-Bay Water Works Co. vs. Ryan, 181 U. S., 409, 431.

In *Barry vs. Edmunds*, the court say:

"It might happen that the judge on the trial or hearing of the cause would receive impressions amounting to a moral certainty that it does not really and substantially involve a dispute or controversy within the jurisdiction of the court. But upon such a personal conviction, however strong, he would not be at liberty to act, unless the facts on which the persuasion is based when made distinctly to appear on the record create a legal certainty of the conclusion based on them. Nothing less than this is meant by the statute when it provides that the failure of its jurisdiction, on this account, 'shall appear to the satisfaction of said Circuit Court.'"

I have not found in the decisions of the court a case similar to the one at bar; the decisions are many that a colorable transfer of property for the purpose of suit will not confer jurisdiction; and that when the fact appears the suit will be dismissed under the act. *Williams vs. Nottowa*, 104 U. S., 209, is an example. But the case at bar is entirely different; it is not the case of a colorable transfer. The issue of stock to Bishop and the transfer of stock to him was actual. He is and was the sole owner of it; no other had, or has, any right or interest in it. It is the motive behind the issue and trans-

fer that the petitioner Cleland finds fault with. This court has, however, held that when a party is the actual owner of property the motive, purpose or object of acquiring it is not material.

Lehigh Mining & Manufacturing Co. vs. Kelly,
160 U. S., 327;

South Dakota vs. North Carolina, 192 U. S., 286;

Blair vs. Chicago, 201 U. S., 400, 448;

Dickerman vs. Northern Trust Co., 176 U. S.,
190, 191, 192.

It may have been acquired as a gift and for the purpose of suit.

South Dakota vs. Carolina, supra.

"So, too, it has been held that a person may purchase stock in a corporation for the very purpose of bringing a stockholder's suit, and that the law will not inquire into the motive which actuated his purchase. *Bloxam vs. Met. Railway*, L. R. 3 Ch. App. 337; *Seaton vs. Grant*, L. R. 2 Ch. App., 459; *Elkins vs. Camden & Atlantic Railroad*, 36 N. J. Eq. 5." Mr. Justice Brown, in *Dickerman vs. Trust Co.*, 176 U. S., at 192.

Bishop's stock was issued, transferred and given to him for the purpose of qualifying him to file the bill; but that bill was in the interest of the creditors and stockholders of the corporation. It was a bill that ought to have been filed in the interest of all, and it was so filed in the interest of all. It is said by the petitioner that it was signed and filed that Aldrich might be a receiver. This was an incident and a subordinate motive on the part of Bishop. The facts in this record show conclusively that the chief object was the protection of shareholders and all persons interested in the corporation. Bishop testifies that he signed the bill for the benefit of shareholders (Return 5, Bishop's Deposition Return 84, 85). He was advised by Aldrich when he talked with him about the matter and before the bill was filed that the corporation was insolvent, had been so pronounced by an officer who had said a receiver best be appointed; Aldrich said to him that the stockholders of the corporation were in several States of the Union, and that it was best to get into the United States Court so that one set of stockholders would not profit at the expense of others; that the association had made large

losses in Texas and the officers did not care to have it get into the Texas courts; they were afraid of that, and that it would be injurious and in favor of Texas stockholders. Thereupon he signed the bill (Bishop's Dep. Return 84, 85).

The statements of Aldrich to Bishop were true. And the officers of the corporation and the officers of the State of Michigan were of one opinion, to-wit: that a receiver should be appointed in the United States Court for the Eastern District of Michigan as the best course to be taken in the interest of all. The fact that the State law provided another method of liquidation is of no moment, except to emphasize the fact that the officers of the corporation and the officers of the State were, in the face of it, using their best judgment to do the very best thing they could for all concerned.

The State law could in no way affect the remedy of the non-resident stockholders in the courts of the United States in equity or the jurisdiction of those courts.

"The equity jurisdiction conferred on the Federal Courts is the same that the High Court of Chancery in England possesses; is subject to neither limitation nor restraint by state legislation, and is uniform throughout different States of the Union." *Payne vs. Hook*, 7 Wall., 425, 430.

And all persons in authority chose the course taken to save the assets from diminution through the application of usury laws to the contract, through many receiverships, through possible preferences under state receiverships to state shareholders, and to save expense.

Bishop was qualified; but there were any number of other stockholders in different states of the Union who might have filed the bill. In the circumstances we contend that the qualifying and procuring of Bishop to file the bill in behalf of all was not unlawful, and that collusion within the act of 1875 cannot be predicated of it.

Towle vs. American Building Loan & Investment Society, 60 Fed. R., 131.

The case was a bill in equity, by a shareholder of an insolvent building and loan association, for the appointment of a receiver and for the winding up of its affairs. The answer of the society admitted the allegations of

the bill, and consented to the surrender of the assets to the administration of the court; and on the bill and answer a receiver was, on the 1st day of January, 1894, appointed.

On the 15th day of January the Circuit Court of Cook County, on the motion of the Attorney-General of Illinois, appointed another receiver of the assets of the same company, under the laws of the State of Illinois pertaining to building and loan societies.

The receiver of the State court filed his petition in the United States Court, asking that the receiver appointed by that court should be ordered to surrender to him the assets of the corporation; and based his application on the claim, among others, that the parties to the suit in the Federal Court had been collusively arranged for the purpose of creating a case cognizable in the Federal Courts. In considering this objection and the act of March 3rd, 1875, and in overruling the objection and holding jurisdiction of the case and of the receivership, Judge Grosscup said:

“In the absence of any good reason for bringing the action into the Federal courts, I would be disposed to hold that the arrangement of the parties was collusive for jurisdictional purposes. The question, then, arises, is there any substantial reason why the shareholder, seeking an administration of these assets, should select the Federal courts? And, if so, was it the reason that dominated the bringing of this action therein? The pleadings disclose that the entire assets of this company, except \$300,000, are represented by mortgages on real estate situated in states other than Illinois, and that many shareholders of the company reside in these sister states. What effect will these facts have upon a closing up of the affairs of the corporation at once equitable, economic, and speedy? Under the federal procedure, the receiver appointed in this court is, by a system of ancillary proceedings, likewise appointed receiver in the several circuits in which this property is situated. The administration of the assets is thus centralized—the ancillary is but a part of the home receivership. There is but one administration, one distribution. Each shareholder, whether he live in Illinois or Massachusetts, will receive his exact proportionate

amount, as if he were a citizen of the same state. For the purposes of the suit, there is but one jurisdiction, one administration, one distribution, and one incidental expenditure. It is obvious that no quicker, cheaper, or more equitable administration could be had.

Will the same results attend an administration of these assets through the state courts? The laws of all the states to which my attention has been called require that receivers shall be residents thereof. There will therefore be as many receivers as there are states. Each receivership will be the result and concomitant of an independent suit. There will therefore be as many suits, with their attendant expenses, as there are states. Each suit is entirely independent of the other, and will be determined according to interpretation of the law adopted by that particular court. Will all these courts hold that the shareholder is not a creditor entitled to a prior lien by attachment upon the property within their several jurisdictions? Will they discriminate against the home claimant, and send the fund realized to a common center, to be distributed? Which court will be regarded as the home receivership, and entitled to the right of distribution? Might it not turn out that in states where the number of members were few and the assets large each member would be reimbursed in full for his advance, while in states where the membership was large, and the assets proportionally smaller, each member would receive much less than his proper ratio of the assets? Or, if it be assumed that the several state courts would disregard the apparent interests of the home claimants, and turn in the funds to a common officer, to be distributed, would there not probably rise, in the foreclosure proceedings, numerous lines of litigation going to many different tribunals of last resort, and thereby subjecting the fund to larger expenses and greater uncertainty? The advantages of a homogeneous administration of these assets, scattered, as they are, throughout so many states, are at once so obvious and imperative that it seems to me that no inference that the Federal court was selected by collusion can be raised.

For the foregoing reasons I deem it my duty to hold jurisdiction of this case and of the re-

ceivership to which it has given rise" (At pages 135, 136).

I have thus quoted at length from Judge Grosscup's opinion because it is directly in point on the subject, and gives the potent reasons of an eminent judge why collusion within the law of 1875 can not be predicated of the facts in this record.

The counsel cites *Kreider vs. Cole*, 149 Fed. R., 647. That case concerned property, to-wit: a street railway, wholly within the state of Pennsylvania; and the bill was filed in the interests of its directors as well as others who held its securities in the sum of many hundreds thousand of dollars. A clerk in the office of certain attorneys in Camden, across the river from Philadelphia, was given certain securities of small value to qualify him to file the bill.

It was held by a divided court that although the assignment was absolute the transaction was collusive and the court without jurisdiction. The case in so far as it holds that motive is material is not in harmony with the decisions of this court. But however this may be the case is not parallel with the one at bar. The difference is manifest. The forceful reasons for filing the bill in the case at bar and the motives that prompted it, were entirely absent in the case cited.

4. In *Dickerman vs. Northern Trust Company*, supra, this court considers and defines collusion. The case was a bill to foreclose a mortgage on the property of an insolvent corporation. The answer admitted the averments of the bill, and asserted the inability of the corporation to pay its debts; and a receiver was appointed by consent. An intervening stockholder, having been given leave to answer the bill, answered, setting up among other things (and it appeared), that the unpaid judgment, averred in the bill as a default in the mortgage, had been obtained by consent of the officers of the corporation, in order that the foreclosure proceedings might be begun; that the directors had neglected purposely to pay the coupons put in judgment, so that the judgment might be obtained for the foreclosure proceeding; that the defendant corporation appeared, on the return of the summons, and consented to an immediate trial, and made no defense; and that the firm of lawyers, who had devised the proceeding, acted as solicitors for the trustee in filing the foreclosure bill.

Held: That, while these proceedings were taken by connivance and consent, they were not collusive, in a legal sense, as the debt was honestly due and the plaintiff entitled to judgment; and that the court would not inquire into the motives of the parties. The court say:

"We have no doubt that this judgment was collusive in the sense that it was obtained by the plaintiff and consented to by the defendant company for the purpose of giving the trustees a legal excuse for declaring the principal and interest of the mortgage to be due and to give authority for foreclosure. But this did not constitute collusion in the sense of the law, nor does it meet the exigencies of the petitioner's case.

Collusion is defined by Bouvier as 'an agreement between two or more persons to defraud a person of his rights by the forms of law, or, to obtain an object forbidden by law,' and in similar terms by other legal dictionarians. It implies the existence of fraud of some kind, the employment of fraudulent means, or lawful means for the accomplishment of an unlawful purpose" (At 190).

The conduct of the officers of the corporation, or of any of the parties in the case at bar is not within this definition of collusion. The word, the court say, implies the existence of fraud.

Now it was the moral and legal duty of the directors to wind up this insolvent concern. What they did was to that end. They were neither seeking to defraud any person nor to impose upon the court; for any number of shareholders were qualified by their shareholdings and by their residence to file the bill.

The motive and purpose of the officers of the corporation were honest; they sought the best interests of all in the forum they thought best for all.

For this purpose and no other they qualified Bishop. And they had the legal right to do it; and being so qualified he had the right to file the bill, and he filed it, in the interest of all.

It is not material that the bill does not specify that it is in behalf of all; it is in its nature a bill in behalf of all.

Richmond vs. Irons, 121 U. S., 27.

5. On this record the question of the jurisdiction of this court ought to be at rest.

This case has, in two of its branches, been twice before the Court of Appeals whose mandates have been sent down to the court below.

Prior to the Act of 1875 it was held too late to question the jurisdiction of the court below after appeal and judgment, and mandate sent down.

Whyte vs. Gibbs, 20 How., 541.

Washington Bridge Co. vs. Stewart, 3 How., 413.

There ought to be a time, in the progress of a cause when not only the parties would be estopped from objecting to the jurisdiction, but when the court would be satisfied without further inquiry that it had not been imposed upon. It would seem to be such a time after appellate courts had entered judgments and sent their mandates down.

This court has, after appeal and mandate, considered the question of jurisdiction, under the law, in cases removed from State courts; such is *Cochrane vs. Montgomery*, 199 U. S., 260, cited by counsel in his brief.

In such cases, it seems, that no delay or proceeding will cure the lack of jurisdiction in the court apparent on the face of the record.

But in the case at bar the court had jurisdiction on the face of the record; and lapse of time, as we have seen, and as the court has held, is material in determining whether jurisdiction has been lost.

If, as the court say, lapse of time should be considered, so ought the judgments of appellate courts and their commands to the court below, and it would seem, as if that, on them, the question should be foreclosed.

It is respectfully submitted that the rule should be discharged and the petition dismissed.

DE FOREST PAINE,
Attorney for Respondent.

